

# EXHIBIT H

BAKER & MCKENZIE

Baker & McKenzie LLP

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North America  
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Houston  
Miami  
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Toronto  
Washington, DC

March 12, 2015

IRS FOIA Request  
HQ FOIA  
Stop 211  
2385 Chamblee Tucker Road  
Chamblee, GA 30341

IRS FOIA Request  
Disclosure Scanning Operations- Stop 93A  
PO Box 621506  
Atlanta, GA 30362-3006

**Re: Microsoft Corporation and Subsidiaries  
E.I.N. 91-1144442  
Freedom of Information Act Request**

Dear Sir or Madam:

In accordance with the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, as amended, I, on behalf of Microsoft Corporation and Subsidiaries ("Microsoft"), request access to, and copies of, certain documents relating to and/or arising from the Internal Revenue Service's ("IRS") contract with the law firm Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), bearing contract number TIRNE-14-C-00013. See Exhibit A (attached). Specifically, I request copies of the following:

1. All documents exchanged between Quinn Emanuel and the IRS on or prior to May 19, 2014, in connection with the IRS's examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009.
2. All documents exchanged between or among any or all the following individuals, on or prior to May 19, 2014, relating to or referencing the potential engagement of Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009:

\* Associated Firm  
\*\* In cooperation with  
Trench, Rossi e Watanabe  
Advogados

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- a. Cheryl Claybough, Industry Director, Large Business and International, Communications, Technology & Media
- b. Christopher Sterner, Deputy Chief Counsel (Operations), Office of Chief Counsel
- c. Drita Tonuzi, Associate Chief Counsel, Office of Chief Counsel, Procedure & Administration
- d. Dustin Starbuck, Associate Chief Counsel, Office of Chief Counsel, Finance & Management
- e. Eli Hoory, Senior International Advisor, Large Business & International, Transfer Pricing Operations
- f. Heather Maloy, Commissioner, Large Business & International
- g. Kimberly Edwards, Director, Field Operations, Large Business & International, Communications, Technology & Media
- h. Linda Kroening, Division Counsel, Office of Chief Counsel, Large Business & International
- i. Mark Kaizen, Associate Chief Counsel, Office of Chief Counsel, General Legal Services
- j. Michael Danilack, Former Deputy Commissioner (International), Large Business and International
- k. Nancy Bronson, Territory Manager (West), Large Business & International, Transfer Pricing Practice
- l. Robert Ratchford, Former Deputy Area Counsel (SL), Office of Chief Counsel, Large Business & International
- m. Samuel Maruca, Former Director of Transfer Pricing Operations, Large Business & International, Transfer Pricing Operations
- n. Thomas Vidano, Deputy Division Counsel (International), Office of Chief Counsel, Large Business & International
- o. William Merkle, Area Counsel (Retailers, Food, Transportation & Healthcare), Office of Chief Counsel, Large Business & International
- p. William Sabin, Senior Counsel, Office of Chief Counsel, Large Business & International
- q. William Wilkins, Chief Counsel, Office of Chief Counsel

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3. All documents exchanged between the IRS (including the IRS Office of Chief Counsel) and the Office of the General Counsel, Department of the Treasury, relating to or referencing the potential or actual engagement of Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009.
4. All documents exchanged between the IRS (including the IRS Office of Chief Counsel) and the Office of Tax Policy, Department of the Treasury, relating to or referencing the potential or actual engagement of Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009.
5. All documents exchanged between the IRS (including the IRS Office of Chief Counsel) and the Office of Legal Counsel, Department of Justice, relating to or referencing the potential or actual engagement of Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009.
6. All documents exchanged between the IRS (including the IRS Office of Chief Counsel) and the Tax Division, Department of Justice, relating to or referencing the potential or actual engagement of Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for any or all of Microsoft's tax years ended June 30, 2004 through June 30, 2009.
7. All documents constituting the "initial package of documentation" provided or made available by the IRS to Quinn Emanuel under TIRNE-14-C-00013. See Exhibit A, at Microsoft-FOIA-00176.
8. All documents relating to or referencing the "in-person verbal detailed briefing" provided by Quinn Emanuel to the IRS under TIRNE-14-C-00013. See id.
9. All documents relating to or referencing the "verbally report[ed] conclusions and findings" provided by Quinn Emanuel to the IRS under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00177.
10. All documents constituting the "written summar[ies] or report[s] on identified sub-issues" provided by Quinn Emanuel to the IRS under TIRNE-14-C-00013. See id.

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11. All documents relating to or referencing the "oral recommendations" provided by Quinn Emanuel to the IRS under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00178.
12. All documents constituting the "invoices" prepared by Quinn Emanuel under TIRNE-14-C-00013. See id.
13. All documents constituting the "written status report[s]" prepared by Quinn Emanuel under TIRNE-14-C-00013. See id.
14. All documents constituting "the report to the COR" provided by Quinn Emanuel to the IRS under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00179.
15. All documents constituting the "written permission[s] from the POC or COR" provided to Quinn Emanuel under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00180.
16. All documents constituting the "publicly available information" and "documents and materials obtained by the POC or examination team" identified in TIRNE-14-C-00013. See id., at Microsoft-FOIA-00181.
17. All documents constituting the "Plan of Action and Milestones (POA&M)" identified in TIRNE-14-C-00013. See id.
18. All documents relating to or referencing the "background investigation[s]" performed in connection with TIRNE-14-C-00013. See id., at Microsoft-FOIA-00182.
19. All documents relating to or referencing the "security self-assessment" performed in connection with TIRNE-14-C-00013. See id.
20. All documents constituting the "written deliverables to the COR" under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00186.
21. All documents relating to or referencing the "Quality Assurance Surveillance Plan" required under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00189.
22. All documents constituting the "Surveillance Activity Checklists" prepared in connection with TIRNE-14-C-00013. See id., at Microsoft-FOIA-00190.
23. All documents constituting the "[d]eliverables" under TIRNE-14-C-00013. See id., at Microsoft-FOIA-00191.
24. All documents constituting the "IRS Informed Consent" identified in TIRNE-14-C-00013. See id., at Microsoft-FOIA-00191.

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25. All documents relating to or referencing the issue of whether John Quinn and/or John Gordon may become "special government employee[s]" as contemplated by TIRNE-14-C-00013. See id., at Microsoft-FOIA-00211.
26. To the extent not otherwise requested above, all "records and documents, including Taxpayer [Microsoft] records and documents, provided to the Contractor [Quinn Emanuel] by the Government [IRS]" pursuant to TIRNE-14-C-00013. See id., at Microsoft-FOIA-00179.
27. To the extent not otherwise requested above, all documents constituting Quinn Emanuel "generated work products and workpapers" associated with the requirements of TIRNE-14-C-00013. See id., at Microsoft-FOIA-00180.
28. To the extent not otherwise requested above, all documents provided to Quinn Emanuel by the IRS in connection with TIRNE-14-C-00013.
29. To the extent not otherwise requested above, all documents provided to the IRS by Quinn Emanuel in connection with TIRNE-14-C-00013.
30. To the extent not otherwise requested above, all documents created or maintained by Quinn Emanuel in connection with TIRNE-14-C-00013.

**Please note that this request seeks access to responsive documents contained in the files of the IRS and the IRS Office of Chief Counsel, as well as responsive documents contained in the files of, or maintained by, Quinn Emanuel, its partners, and/or its employees.**

**In addition, please note that this request expressly excludes all otherwise responsive documents, if any, that were previously produced to the undersigned in response to Microsoft's September 22, 2014 FOIA request. See Exhibit B (attached).**

For purposes of this request, the term "document" is used expansively and includes, by way of illustration and without limitation, all agreements, contracts, communications, letters, reports, analyses, memoranda, e-mails, transcripts, minutes, notes, bulletins, worksheets, schedules, notebooks, drawings, photographs, drafts, comments on drafts, diaries, calendars, workpapers, purchase orders, telecopies, telexes, or any information stored on optical disc, magnetic tape, microfilm or microfiche, or computer memory storage device. The term "document" also refers to any draft or prior version of a document responsive to this request. A non-identical copy is a unique document. If a document has any notation or modification from an original, please produce the non-identical copy separately.

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If it is determined that any requested document or record, or any portion thereof, will not be disclosed, please provide us with the non-exempt documents and records and with the non-exempt portions of the remaining documents and records. In the event an exemption is claimed, please provide us with all segregable non-exempt portions of any withheld document or record pursuant to 5 U.S.C. § 552(b). When material is to be redacted, please "black out" rather than "white out" or "cut out" any portions for which an exemption is claimed.

If document(s) responsive to this request have been destroyed, please identify the document(s) destroyed, the date of destruction, and the person or persons who destroyed the document(s).

Pursuant to 5 U.S.C. §§ 552(a)(6)(A)(i) and 552(b), if this request is denied either in part or in whole, please provide us with an index that specifies which exemption(s) is (are) being claimed for each portion of each document withheld. Please provide a detailed description of each document or record withheld, including the author(s) and any recipients, the date of its creation, its subject matter, and its current physical location. In addition, please provide the reason that each document or record falls within the exemption claimed for it. Please also specify the number of pages in each document or record and the total number of pages that are responsive to this request. Such an index is required to allow us to evaluate the IRS's claims that these documents are exempt from disclosure.

See Vaughn v. Rosen, 484 F.2d 820 (D.C. Cir. 1973); see also Church of Scientology of Cal. v. IRS, 792 F.2d 146 (D.C. Cir. 1986); Osborn v. IRS, 754 F.2d 195 (6th Cir. 1985); White v. IRS, 707 F.2d 897 (6th Cir. 1983) (quoting Church of Scientology v. Bell, 603 F.2d 945 (D.C. Cir. 1979)); Brooks v. IRS, 80 AFTR 2d 97-6370 (E.D. Cal. 1997) (citing Wiener v. FBI, 943 F.2d 972 (9th Cir. 1991)).

In accordance with 26 C.F.R. §§ 601.702(c)(4)(i)(H) and 601.702(f), I agree to pay reasonable charges incurred to search for and duplicate the requested documents. Once the materials have been assembled, please advise the undersigned of the projected copying charges.

In accordance with 26 C.F.R. §§ 601.702(c)(4)(i)(E) and 601.702(c)(5)(iii)(C), I establish my identity and right to access the requested documents by the Power of Attorney and Declaration of Representative on Forms 2848 executed by Microsoft, attached as Exhibits C and D. A copy of my State of New York driver's license is attached for photo identification as Exhibit E. Microsoft authorizes you to send the above requested documents to and/or communicate with counsel below regarding this request:

BAKER & MCKENZIE

Daniel A. Rosen  
Baker & McKenzie LLP  
452 Fifth Avenue  
New York, New York 10018  
(212) 626-4272

In accordance with 26 C.F.R. § 601.702(f)(3)(i), Microsoft is a "commercial requester" as defined in 26 C.F.R. § 601.702(f)(3)(ii)(A). As set forth in 5 U.S.C. § 552(a)(6)(A)(i), 31 C.F.R. § 1.5(h), and 26 C.F.R. § 601.702(c)(9)(ii), we seek a response to this request within twenty (20) working days of its receipt.

We understand and appreciate that you will exercise a presumption in favor of disclosure, and that you are committed to accountability and transparency in connection with this request. See Memorandum from President Barack Obama, Memorandum for the Heads of Executive Agencies, 74 Fed. Reg. 4,683 (Jan. 26, 2009); Eric Holder, Memorandum for Heads of Executive Departments and Agencies (Mar. 19, 2009) (stating that an agency "should not withhold information simply because it may do so legally. I strongly encourage agencies to make discretionary disclosures of information. An agency should not withhold records merely because it can demonstrate, as a technical matter, that the records fall within the scope of a FOIA exemption.").

Please send the requested documents to the address set forth above. If you have any questions concerning this request or require further information, please contact me at (212) 626-4272. Thank you in advance for your attention to this matter.

Sincerely,

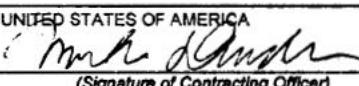


Daniel A. Rosen  
Partner  
+1 212 626 4272  
daniel.rosen@bakermckenzie.com

Attachments: Exhibits A through E

cc: Eli Hoory, Esq.  
Woo Jung (Walter) Choi

# **EXHIBIT A**

AWARD/CONTRACT		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)	RATING	PAGE OF PAGES	
2. CONTRACT (Proc Inst. Ident.) NO. TIRNE-14-C-00013		3. EFFECTIVE DATE 05/20/2014	4. REQUISITION/PURCHASE REQUEST/PROJECT NO. L-4-L1-20-E2-X06 000		
5. ISSUED BY  INTERNAL REVENUE SERVICE NE Area Procurement Branch (A.P.F.NE) 290 Broadway 3rd Floor New York, NY 10007  MARK DAVIDSON 212-436-1786		CODE 12157	6. ADMINISTERED BY (If other than Item 5)  See Item 5	CODE	
7. NAME AND ADDRESS OF CONTRACTOR (No. street, county, state and ZIP Code) QUINN EMANUEL URQUHART & SULLIVAN, LLP Mr. Christopher Tayback 213-443-3170		Vendor Id: 01717927 Cage Code: 720K3 Tax ID#:	8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)		
			9. DISCOUNT FOR PROMPT PAYMENT Terms: 0% Days: 30 Net: 30		
			10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:	ITEM See Block 12	
CODE		FACILITY CODE			
11. SHIP TO/MARK FOR  IRS 450 Golden Gate Avenue San Francisco, CA 94010 TIM TUEY 2124361518		CODE 11242	12. PAYMENT WILL BE MADE BY  <b>Invoices must be submitted via the Invoice Processing Platform at <a href="http://www.ipp.gov">www.ipp.gov</a></b>		
13. AUTHORITY FOR USING OTHER FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) ( ) <input checked="" type="checkbox"/> 41 U.S.C. 253(c) (1)		14. ACCOUNTING AND APPROPRIATION DATA 14140913D L120000 7G 1181			
15A. ITEM NO.	15B. SUPPLIES/SERVICES  THIS IS TO PROVIDE EXPERT SERVICES  PERIOD OF COVERAGE: 5/20/14 THRU 12/31/16  See Attached Schedule(s)		15C. QUANTITY	15D. UNIT	
				15E. UNIT PRICE	
				15F. AMOUNT	
		15G. TOTAL AMOUNT OF CONTRACT \$ 2,185,500.00			
<b>16. TABLE OF CONTENTS</b>					
(✓) SEC.	DESCRIPTION	PAGE(S)	(✓) SEC.	DESCRIPTION	PAGE(S)
PART I - THE SCHEDULE			PART II - CONTRACT CLAUSES		
X A	SOLICITATION/CONTRACT FORM	1	X I	CONTRACT CLAUSES	46 - 57
X B	SUPPLIES OR SERVICES AND PRICE/COST	2 - 4	PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACH.		
X C	DESCRIPTION/SPECS./WORK STATEMENT	5 - 16	X J	LIST OF ATTACHMENTS	58 - 60
X D	PACKAGING AND MARKING	17 - 18	PART IV - REPRESENTATIONS AND INSTRUCTIONS		
X E	INSPECTION AND ACCEPTANCE	19	K	REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFERORS	
X F	DELIVERIES OR PERFORMANCE	20 - 24	L	INSTRS., CONDS., AND NOTICES TO OFFERORS	
X G	CONTRACT ADMINISTRATION DATA	25 - 31	M	EVALUATION FACTORS FOR AWARD	
X H	SPECIAL CONTRACT REQUIREMENTS	32 - 45			
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE					
17. <input type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return _____ copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified below and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein			18. <input checked="" type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number TIRNE-14-R-00002 DATED 5/18/14, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.		
19A. NAME AND TITLE OF SIGNER (Type or print)			20A. NAME OF CONTRACTING OFFICER MARK DAVIDSON 212-436-1786		
19B. NAME OF CONTRACTOR  (Signature of person authorized to sign)		19C. DATE SIGNED	20B. UNITED STATES OF AMERICA  BY  (Signature of Contracting Officer)		20C. DATE SIGNED  5/19/14

<b>AWARD/CONTRACT</b>		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 350)		RAT NG	PAGE OF PAGES 1 60		
2. CONTRACT (Proc. Inst. Ident.) NO. TIRNE-14-C-00013		3. EFFECTIVE DATE 05/20/2014		4. REQUISITION/PURCHASE REQUEST/PROJECT NO. L-4-L1-20-E2-X06 000			
5. ISSUED BY  INTERNAL REVENUE SERVICE NE Area Procurement Branch (A:P:F:NE) 290 Broadway 3rd Floor New York, NY 10007  MARK DAVIDSON 212-436-1786		CODE 12157		6. ADMINISTERED BY (If other than Item 5)  See Item 5			
7. NAME AND ADDRESS OF CONTRACTOR (No. street, county, state and ZIP Code) QUINN EMANUEL URQUHART & SULLIVAN, LLP  Mr. Christopher Tayback 213-443-3170		Vendor Id: 01717927 Cage Code: 720K3 Tax ID# [REDACTED]		8. DELIVERY <input type="checkbox"/> FOB ORIGIN <input checked="" type="checkbox"/> OTHER (See below)  9. DISCOUNT FOR PROMPT PAYMENT  Terms: 0% Days: 30 Net: 30			
CODE		FACILITY CODE		10. SUBMIT INVOICES (4 copies unless otherwise specified) TO THE ADDRESS SHOWN IN:  See Block 12			
11. SH P TO/MARK FOR  IRS 450 Golden Gate Avenue San Francisco, CA 94010 TIM TUEY 2124361518		CODE 11242		12. PAYMENT WILL BE MADE BY  <b>Invoices must be submitted via the Invoice Processing Platform at <a href="http://www.ipp.gov">www.ipp.gov</a></b>  CODE 12108			
13. AUTHORITY FOR USING OTHER FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C. 2304(c) ( ) <input checked="" type="checkbox"/> 41 U.S.C. 253(c) (1)		14. ACCOUNTING AND APPROPRIATION DATA 14140913D L120000 7G 1181					
15A. ITEM NO.	15B. SUPPLIES/SERVICES  <b>THIS IS TO PROVIDE EXPERT SERVICES</b>  <b>PERIOD OF COVERAGE: 5/20/14 THRU 12/31/16</b>  See Attached Schedule(s)		15C. QUANTITY	15D. UNIT	15E. UNIT PRICE		
					15F. AMOUNT		
15G. TOTAL AMOUNT OF CONTRACT \$ 2,185,500.00							
<b>16. TABLE OF CONTENTS</b>							
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X	F	DELIVERIES OR PERFORMANCE	20 - 24	L	NSTRS., CONDS., AND NOTICES TO OFFERORS		
X	G	CONTRACT ADMISTRATION DATA	25 - 31	M	EVALUATION FACTORS FOR AWARD		
X	H	SPECIAL CONTRACT REQUIREMENTS	32 - 45				
CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE							
17. <input type="checkbox"/> CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign this document and return copies to issuing office.) Contractor agrees to furnish and deliver all items or perform all the services set forth or otherwise identified below and on any continuation sheets for the consideration stated herein. The rights and obligations of the parties to this contract shall be subject to and governed by the following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such provisions, representations, certifications, and specifications, as are attached or incorporated by reference herein				18. <input checked="" type="checkbox"/> AWARD (Contractor is not required to sign this document.) Your offer on Solicitation Number TIRNE-14-R-00002 DATED 5/16/14, including the additions or changes made by you which additions or changes are set forth in full above, is hereby accepted as to the items listed above and on any continuation sheets. This award consummates the contract which consists of the following documents: (a) the Government's solicitation and your offer, and (b) this award/contract. No further contractual document is necessary.			
19A. NAME AND TITLE OF SIGNER (Type or print)				20A. NAME OF CONTRACTING OFFICER MARK DAVIDSON 212-436-1786			
19B. NAME OF CONTRACTOR  (Signature of person authorized to sign)		19C. DATE SIGNED		20B. UNITED STATES OF AMERICA  BY _____		20C. DATE SIGNED  (Signature of Contracting Officer)	

TIRNE-14-C-00013

\*\*\* SIGNATURE NOT REQUIRED PROPOSAL SENT VIA EMAIL DATED 5/16/14 IS  
HEREBY ACCEPTED\*\*\*

## Section B

### SUPPLIES OR SERVICES AND PRICES/COSTS

Line Item No.	Description of Supplies/Services	Qty	U/I	Unit Price	Total
0001	PHASE EVALUATION AND CASE SUPPORT IN ACCORDANCE WITH THE PERFORMANCE WORK STATEMENT THAT BEGINS ON PAGE FIVE (5) OF THIS ORDER	1.00	AJ	1,915,500.00 NTE	1,915,500.00 NTE
<b>I. EXPERT(S)/CONTRACTOR(S) -</b>					
A. JOHN QUINN - 200 HRS @ \$1,120.00 PER HR					
B. JOHN GORDON - 300 HRS @ \$1,075.00 PER HR					
<b>II. PARTNER(S)</b>					
A. JEREMY ANDERSEN - 400 HRS @ \$840.00 PER HR					
<b>III. ASSOCIATE (S)</b>					
A. NOAH HELPERN - 700 HRS @ \$670.00 PER HR					
B. RYAN KEECH - 800 HRS @ \$555.00 PER HR					
<b>IV. PARALEGAL (S)</b>					
A. CAROL O'CONNOR ? 400 HRS @ \$300.00 PER HR					
TRAVEL AND MISCELLANEOUS EXPENSES FOR THIS PHASE ON LINE TWO (2)					
<p>NOTE: The persons listed above should not be the only one's invoices who are paid. If a person falls into one of the hourly rates but is not listed payment should be made as long as the COTR has signed off on the invoice. The category/person outlined under this phase has estimated hours only. As long as invoices do not go over the total price allocated for this phase it should be paid.</p>					

TIRNE-14-C-00013

**Accounting and Appropriation Data:**

Fund	Cost Center	Functional Area	Material Group	Internal Order
14140913D	L120000	7G	1181	\$1,915,500.00
PR #: L-4-L1-20-E2-X06				

0002	TRAVEL AND MISCELLANEOUS EXPENSES	1.00	AJ	270,000.00 NTE	270,000.00 NTE
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**PHASE ONE (1):**

TRAVEL: \$ 60,000.00  
 MIS. EXPENSES: \$210,000.00

\*\*TRAVEL REIMBURSEMENT SHALL BE IN ACCORDANCE WITH THE FEDERAL TRAVEL REGULATIONS\*\*

**Accounting and Appropriation Data:**

Fund	Cost Center	Functional Area	Material Group	Internal Order
14140913D	L120000	7G	1181	\$270,000.00
PR #: L-4-L1-20-E2-X06				

## SECTION B

### B.1 GENERAL

It is the Government's intention under the terms and conditions of this contract to obtain professional evaluation, expert witness, consultation and other related expert services for the IRS. Services to be performed under the terms of this contract are defined in Section C. The terms and conditions outline in said document are the contractual arrangement between the Government and Expert Witness. Performance outside of the scope, and / or above the firm fixed price for each Phase as well as travel and miscellaneous, shall be provided at the Contractor's own risk. This would be considered an unauthorized procurement.

### B.2 CONTRACT CEILING PRICE

The total firm fixed price for all Phases plus travel and miscellaneous under this order **\$2,185,500.00**. Total cost are in accordance with the Schedule of Items set forth in Schedule of Items at the fixed labor-hour rates specified, not to exceed the total amount for any individual line item. Funding for each of the phases is dependent on the litigation schedule of the government, the court's scheduling if required, appeals, settlement and/or final disposition of the taxpayer case. The work for each phase may be funded at time of award, or at the time each option phase is exercised

### B.3 SCHEDULE OF ITEMS

The Contractor shall provide contract services at the fixed hourly rates established under Schedule of Supplies and Services for each category. **In no event shall the Contractor exceed any CLIN Amount (not-to-exceed (NTE)) without prior written approval of the Contracting Officer (CO); to do so will be at the contractor's own risk.**

Work in each phase shall be performed and billed on an hourly basis except for authorized travel expenses which shall be separately authorized and billed. The hourly rate is to be the expert's complete compensation such that the only additional charges shall be for authorized travel and miscellaneous expenses. Each phase is governed by its own not to exceed limitation. Only the contracting officer can increase the not to exceed limitation, and each such increase shall be through a written modification to this contract

**NOTE: EXPENSES MUST BE ITEMIZED ON INVOICES, WITH LEGIBLE COPIES OF RECEIPTS ATTACHED. SEE FAR PART 32.905, PAYMENT DOCUMENTATION AND PROCESS FOR CONTENTS OF A PROPER INVOICE.**

## SECTION C

### PERFORMANCE WORK STATEMENT

#### INTRODUCTION/ BACKGROUND

The Internal Revenue Service (the “IRS” or the “Service”) requires the services of a contractor who is an expert in commercial litigation (the “Contractor”) to assist with the evaluation, analysis, presentation and defense of claims or adjustments related to the issues under examination. The services to be rendered under this Contract include but are not limited to investigation, document review, and research so as to be able to consult with the Service and/or advise the Service. The subject matter of the services required to be rendered under this Contract include but are not limited to transfer pricing issues relating to the license of intangible property rights in association with a cost sharing arrangement and related transactions.

The Contractor is a law firm and the Key Personnel (including “Contractor 1” and “Contractor 2,” collectively the “Key Personnel”) are highly skilled commercial litigation attorneys with extensive complex litigation experience evaluating, preparing and presenting cases dealing with multifaceted facts, complex economics and multiple legal issues. The Key Personnel will perform the work describe below and will oversee and direct any other personnel of the Contractor who work on this project. The Key Personnel will verbally report facts, conclusions and recommendations to the Service, and, if desired by the Service, the Key Personnel will prepare written reports and cause such reports to be sent or delivered to the Service. If desired by the Service, the Contractor agrees that the Key Personnel will assist in preparing for and attend meetings, presentations and interviews.

The Service is analyzing a set of intercompany transactions (the “Transactions”) between the taxpayer and its U.S. affiliates (together, the “Taxpayer”) and Taxpayer’s foreign affiliate. As part of the Transactions, the Taxpayer and its foreign affiliate did the following: (1) effective July 2005, the Taxpayer licensed to its foreign affiliate rights to ‘technology intangibles’ embodied in certain software products sold by the Taxpayer to third-parties in the Americas geographic region; (2) the foreign affiliate made a buy-in payment (the “Buy-In Payment”) to compensate the Taxpayer for the value of the rights that it received and assumed responsibility for funding future research and development associated with the technology intangibles; and (3) the Taxpayer and the affiliate established a transfer price (the “Transfer Price”) to determine how to share revenues that are collected, after licensing of the technology intangibles to the foreign affiliate, on future sales of the software products in question to third-parties.

The Service is considering whether the Buy-In Payment and Transfer Price amounts determined by the Taxpayer reliably and accurately determine the arm’s length transfer prices between the related entities. Together, the Buy-In and the Transfer Price issues impact two currently open examination periods, the first examination period for Taxpayer’s fiscal years ended June 30, 2004 through June 30, 2006 and the second for Taxpayer’s fiscal years ended June 30, 2007 through June 30, 2009. To the extent the Taxpayer continues to apply the Transfer Price proposed after fiscal year ended June 30, 2009, the issue may have continuing relevance, as well.

In addition to the Transactions, the Service is also analyzing other intercompany transactions by the Taxpayer that may raise similar transfer pricing issues or share overlapping facts.

## **SCOPE**

The Contractor shall provide all management, supervision, labor, materials, supplies, and equipment (unless otherwise stated), and shall plan, schedule, coordinate, and assure effective performance of all services described herein.

The Contractor shall provide the services and deliver the outcomes described in Phase 1. Phase 1 will commence upon award of the Contract or as required by the Government based on its schedule.

This Phase for Evaluation & Case Support is non-severable and will not exceed the period during which fiscal year funds applied to this contract are available.

The Contractor is required to furnish all labor and materials associated with the requirements of the contract except where otherwise specified.

The Contractor shall be expected to perform travel as necessary to meet the requirements of the contract. Authorized travel and related expenses shall be reimbursed to the Contractor/Expert subject to the contract terms outlined herein.

The Contractor/Expert shall obtain written permission from the COR prior to making any “Third Party” investigative contacts. The Contractor/Expert shall provide the COR with details regarding “Third Party” contacts. The details of the “Third Party” contact shall be provided to the COR in writing within ten working days after the contact. The COR shall provide guidance as to what information is required to be reported regarding “Third Party” contacts by the Contractor/Expert.

The Contractor/Expert shall strictly protect the taxpayer’s rights to privacy by adhering to Federal “Privacy” and “Non-Disclosure” of taxpayer information regulations and requirements outlined herein.

## **I. PERFORMANCE REQUIREMENTS**

The Contractor is expected to perform according to the terms of this Contract, even if the time frames are delayed. The Contract is subject to termination and/or Contract payment deduction, if the performance standards are not met.

In the event the Contractor is not needed at any point, the Service will terminate services in accordance with Contract terms and payment will be made for that portion of work performed.

The Contractor is expected to perform according to the terms of this Contract, even if the time frames are delayed. The Contract is subject to termination and/or Contract payment deduction, if the performance standards are not met.

Contract performance requirements are identified in Phase 1 and under the Monthly Status Report Section below.

## **Phase 1 – Evaluation & Case Support**

### **Required Service(s)**

For ease of reference, the required services in this phase are described in two categories: (A) “Evaluation” services and (B) “Case Support” services. In practice, the Evaluation and the Case Support services described below may overlap (e.g., distinct Evaluation and Case Support services may be performed in parallel/contemporaneously or the same service may simultaneously support both service categories).

**Phase 1 Category A Services: Evaluation:** The Contractor will review all of the key documents (including reports, position papers, IDR responses, etc., prepared by or on behalf of the Taxpayer or the Service) and all relevant legal authorities to build a thorough understanding of the factual and legal issues and the record to date. This will entail independent research, as appropriate, and attending meetings as requested by the POC or the COR. After completing a thorough review of the record at the time of contract award, the Key Personnel will deliver to the Service an in-person detailed briefing assessing the case based on the existing record and will give their recommendations.

It is anticipated that this phase will consist of but not be limited to the following steps:

**Step 1:** The Contractor shall have a preliminary meeting with the Service to obtain a clear understanding of the scope of the Contract requirements. The meeting will be held in person or by teleconference and is anticipated not to exceed one full day. Records identified by the Service as central to the assessment of the Transactions will be made available to the Contractor.

**Step 2:** Review initial package of documentation and request additional documentation. The Contractor will review an initial package of documentation provided by the Service. The Contractor will inform the POC if there are additional materials that the Contractor believes would be helpful and would like to review before completing the preliminary analyses described above and, if available, the Service will attempt to secure the requested records. However, it is possible that some of the additional materials requested, if any, may not exist or otherwise be unobtainable.

**Step 3:** As appropriate, subsequent ad hoc meetings or telephone calls will be scheduled and held with the Contractor to facilitate the assessment of the Transactions and to plan and begin executing follow-up steps that are appropriate to accomplish the goals of this phase. Travel may be required.

**Step 4:** The Key Personnel will present to the Service a detailed in-person verbal detailed briefing of the Key Personnel’s findings, assessment, and recommendations with respect to the factual and legal state of the case, identifying strengths, weakness, and areas for further development. The Service may require the Key Personnel to travel. If requested by the Service, the Key Personnel may need to repeat the briefing or parts of the briefing via conference calls or via in-person meetings to other Service stakeholders.

Phase 1 Category (B) Services: Case Support: The Contractor will support continued development, analysis, evaluation, and preparation of the issues under examination. The Contractor will assist the Service in preparing, organizing and presenting the factual record and legal analysis of the case. The Contractor will work collaboratively with the Service to support the examination. Contractor's assistance may include but not be limited to consulting on the analysis and theory of the case; identifying additional information deemed necessary to develop clearly defensible positions, including any necessary data, documents, or interviews; assisting with further factual development through document review, identifying and preparing new document requests, preparing for or participating in interviews; performing independent research; consulting on position papers/reports prepared by or on the behalf of the Service or the Taxpayer; preparing, consulting on or assisting with presentations; and reviewing and providing analysis and critique of Taxpayer's supplemental positions or responses, if any. Travel may be required.

For both Category (A) and (B) services, the Contractor agrees to verbally report conclusions and findings to the Service. After discussion with the Service, if desired by the Service, the Contractor will prepare a written summary or report on identified sub-issues and cause it to be presented or delivered to the Service

**Performance Standards:**

- Demonstrate effective verbal communication and interpersonal team skills.
- Perform independent research and analysis of all relevant legal authorities, demonstrating an in-depth understanding of all legal aspects of the case.
- Develop and demonstrate an in-depth and thorough understanding of the facts and economics of the Transactions and relevant aspects of the Taxpayer's business.
- Timely respond to the Service's oral or written inquiries.
- Timely request through the Service required information from the Taxpayer.
- Timely identify legal and factual issues relevant to evaluating the Taxpayer's and the Service's theory of the case.
- Timely notify the POC of the need for meetings or conference calls helpful to support of the case.
- Timely schedule and participate in conference calls and in-person meetings with the Service when requested by the POC or COR.
- Explain in a clear and professional manner the quality and thoroughness of facts and analyses relied on to form the assessment and recommendations presented in the detailed verbal briefing.
- If requested by the POC or the COR, prepare written analysis of clearly identified issues or sub-issues related to the case.
- Thoroughly document, as appropriate, factual development and due diligence.
- Develop and demonstrate thorough familiarity and understanding of all relevant legal authorities, including but not limited to tax, commercial, intellectual property, and procedural authorities.

**Additional Performance Standards:**

- As part of the Evaluation services, the Key Personnel shall verbally deliver the detailed briefing in-person to the Service at the time and place requested by the POC (and, if requested by POC, the Key Personnel shall repeat the detailed briefing or a sub-part of the briefing in-person or by conference call).
- As part of the Case Support services, the Key Personnel shall on an as-needed basis deliver oral recommendations in person or by conference call to the POC and other selected members of the Exam team. The Key Personnel shall clearly and professionally present the Contractor's analysis, and clearly explain the quality and thoroughness of the facts and analyses relied on to form the Contractor's recommendations.

**Desired Outcomes**

The Contractor will perform a thorough initial factual, economic and legal assessment of the record and theory of the case. Following completion of this initial assessment, the Key Personnel will present to the Service a detailed briefing presenting the Contractor's assessment of the case and giving the Contractor's recommendations. During and after the initial assessment, the Contractor will consult with and support the Service on an as-needed basis to assist in assessing, preparing, organizing and presenting the issues under examination. Required Contract services shall be provided in accordance with the Delivery Schedule **outlined below**.

**Monthly Status Report**

The Contractor shall include with the monthly invoices, a written status report to the COR. The status report shall, at a minimum, address the following items:

- Current target dates and progress for providing deliverable(s),
- Any problems or expected problems with delivery of services or products,
- Completed items,
- Outstanding issues,
- Report of direct labor hours expended for the month,
- Accounting of project cost by phase:
- Total amount invoiced and
- Total amount of delivered but not invoiced services.

The Contractor shall be required to promptly provide written notification to the COR and the POC when his or her efforts have reached:

- Respectively, 25%, 50% and 75% of the awarded amount of Phase 1.

**After reaching 50% of the awarded amount in Phase 1, the Contractor shall be required to receive written notification from the COR to proceed before performing additional services in Phase 1. After reaching 75% the awarded amount in Phase 1, the Contractor shall be**

**required to receive written notification from the COR to proceed before performing additional services in Phase 1.**

**In no event may the Contractor's services exceed the awarded amount of said phase without the prior written authorization of the Contracting Officer.**

**Performance Standards:**

- Complete and accurate monthly status reports.
- Provide notification when the specified percentages of the awarded amounts for each phase are reached.
- Timely deliver the report to the COR.

**II. APPLICABLE DEFINITIONS, DIRECTIVES and/or DOCUMENTS**

**Applicable Definitions, Directives and/or Documents**

**Definitions**

**Third Party Contacts Defined**

If the Contractor needs information from a third party, the Contractor shall first obtain permission for the IRS and the IRS will provide additional guidance as needed on a specific case-by-case basis.

Third party contacts are defined and explained in I.R.C. § 7602(c) and the IRS Restructuring and Reform Act of 1998, Pub. L. 105–206, § 3417. Third party contact definitions and requirements are described generally in the IRS's Internal Revenue Manual (IRM) Part 4.10.1.6.12 (available at [www.irs.gov](http://www.irs.gov)). For third-party information gathering, see I.R.C. § 7609 (providing special procedures for third-party summonses); and IRM Part 25.5.6 (summonses on third-party witnesses) (available at [www.irs.gov](http://www.irs.gov)).

For Directives about Third Party Contacts, see below.

**Disclosure and Privacy Act Requirements and Definitions**

Generally, I.R.C. § 6103 limits disclosure of taxpayers' returns and return information to third parties. Privacy Act (5 U.S.C. 552a) requirements are described in detail in IRM Part 11, and I.R.C. §§ 6103, 6104, 6110, 7213, 7213A, and 7431. Applicable clauses are incorporated herein. The IRM can be accessed at [www.irs.gov](http://www.irs.gov).

**IRS Property and Records Defined**

Government property shall include all government equipment and records and documents, including Taxpayer records and documents, provided to the Contractor by the Government or by

the Taxpayer and shall include all Contractor generated work products and workpapers associated with the requirements of this Contract. It is anticipated that the Service may, at its option, furnish secure electronic storage media or laptops which will have security software for data encryption.

### **Reference Materials and Purchased Documents**

The Service's property shall include reference materials, books, documents and supplies purchased by the Contractor as necessary for performing the requirements of this Contract if the Contractor is reimbursed by the Service for such purchases on an actual cost basis documented with copies of receipts for the purchases.

### **Directives**

#### **Contract Administration**

All contacts by the Contractor regarding the administration of technical details within the scope of this Contract shall be addressed to the COR for advice and coordination. All Contractor contacts with the Service's audit team and with the Taxpayer shall be coordinated through the POC.

Also see G.1 IR1052-96-019 Authority - Contracting Officer, Contractor Officer's Representative And Contractor's Project Manager.

#### **"Contractor" Is All Inclusive**

The requirements, responsibilities, liabilities and limitations of this Contract shall apply to the Contractor, employees of the Contractor, the Key Personnel, and any subcontractors of the Contractor.

### **Third Party Contacts**

Generally, any investigative-type third party contacts will be made by the Service. See, I.R.C. § 7602(c) (requiring the Service to notify the taxpayer about contact with third parties), I.R.C. § 7609 (providing special procedures for third-party summonses). For procedures, see IRM Part 4.10.1.6.12 (third party contacts) and IRM Part 25.5.6 (summonses on third-party witnesses) (available at [www.irs.gov](http://www.irs.gov)).

The Contractor will obtain written permission from the POC or COR prior to making any Third Party Contacts related to performance of this Contract. If the Service determines that the Contractor may make a particular Third Party Contact, the Contractor will provide the COR with details regarding the Third Party contact. The Contract will provide details of the Third Party contact to the COR in writing within ten working days after the contact. The COR will provide guidance as to what information is required to be reported regarding Third Party contacts by the Contractor.

**Also see Section H – Disclosure, Safeguards and Security.** - Addressing I.R.C. § 6103 (stating that taxpayers' returns and return information are confidential and may not be disclosed to third parties).

### **Materials to be Relied Upon**

The Contractor will examine publicly available information as well as documents and materials obtained by the POC or examination team.

### **Comply With All Security Policies**

The contractor shall comply with all IRS security and safeguard policies and procedures as described in **Pub. 4812 – Contractor Security Controls** (and in **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** if the contractor has access to, and/or uses or operates IRS information systems containing IRS information at facilities controlled by IRS). This shall include full cooperation with all government security and safeguard related requests and activities that are within the scope of these policies and procedures including but not necessarily limited to:

- Post-award conferences,
- Security self-assessments,
- Contractor and Contractor employee background investigations (see IRM 1.23.2, *Security Investigations, Contractor Investigations*),
- Training,
- On-site security reviews, and
- Preparing and implementing a “Plan of Action and Milestones” (POA&M) to adequately mitigate or otherwise address unacceptable risks identified by the Government.

### **Basic Security and Safeguard Concepts**

The following basic concepts are applicable under the terms of this Contract, however it should be understood that this is not an all-inclusive listing of requirements that may apply.

The Contractor shall implement management, operational and technical controls to incorporate the following security and safeguard concepts in his/her business operations:

- ID Media/Card Keys/Keys
- Document Security
- Incident Reporting
- Security Awareness

Guidance is provided in **Pub. 4812 – Contractor Security Controls** (and in **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** if the contractor has access to, and/or uses or operates IRS information systems containing IRS information at facilities controlled by IRS).

A copy of **Pub. 4812 – Contractor Security Controls** can be found on [www.irs.gov](http://www.irs.gov) by performing a search on “Procurement”.

A copy of **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** can be found on [www.irs.gov](http://www.irs.gov) by performing a search on “Internal Revenue Manual” followed by clicking on the Internal Revenue Manual link and then clicking on the “Part 10 – Security, Privacy and Assurance” link.

### **Contractor Background Investigations**

The Service requires all persons with access to Taxpayer information to pass a background investigation. The investigation requires the individuals to provide significant information to the investigation team. It will also require each person to provide a set of fingerprints. This activity requires several hours of effort for each individual and this time is not chargeable to the Contract.

Unless other arrangements are made with the COR, the Contractor must complete and return the background investigation paperwork data to Contractor Security Management (CSM) within 5 calendar days of Contract award.

The Contractor personnel must receive either “interim approval” or a “final decision” for staff-like access before being provided with unescorted access to sensitive information.

### **Contractor Training Requirements**

The Key Personnel and the Contractor’s employees and, if applicable, sub-contractors shall be required to complete “Security” awareness training to be provided by the Service prior to being granted unescorted access to sensitive information.

Contractor personnel performing technical security roles requiring specialized training shall receive a minimum of twelve (12) hours of continuing professional education annually at the cost of the Contractor.

Contractor personnel performing non-technical security responsibilities requiring specialized training shall receive a minimum of eight (8) hours of continuing professional education annually at the cost of the Contractor.

### **Contractor Security Self-Assessment**

The Service may, at its option, require the Contractor to perform a security self-assessment prior to being granted unescorted access to sensitive information. If requested, the security self-assessment must be completed and returned to the Contracting Officer’s Representative (COR) within two weeks of the date of award of the Contract.

**See Section J - Exhibit 5 - Contractor Security Self-Assessment for an example of a security self-assessment check sheet.**

### **Meetings**

Meetings involving the Contractor called or scheduled by the POC or COR and may be in the nature of conference telephone calls or on-site, face-to-face meetings, at the election of the POC or COR. The POC or COR shall provide reasonable advance notification to the Contractor regarding the location and expected duration of meetings, conference calls, etc.

### **Records, Reports and Workpaper Maintenance and Organization**

Records, Reports and Workpapers shall be maintained and organized in accordance with the requirements set forth in IRM 4.46.6, *LB&I Guide for Quality Examinations, Workpapers and Reports Resources*. IRMs may be accessed at [www.irs.gov](http://www.irs.gov).

### **Return of Service Property**

All property of the Service in the possession of the Contractor in direct relation to the requirements of this Contract shall be returned to the Service prior to final payment for services rendered by the Contractor.

### **Abbreviations and Acronyms**

AQL = Acceptable Quality Level  
CFR = Code of Federal Regulations  
CO = Contracting Officer  
COR = Contract Officer's Representative  
CSM =(IRS) Contractor Security Management (Formerly CSLP)  
CSLP =Contractor Security Lifecycle Program (Currently CSM)  
FAR = Federal Acquisition Regulations  
FIPS = Federal Information Processing Standard  
FISMA = Federal Information Security Management Act  
GSA = General Services Administration  
IP =Intellectual Property  
IT =Information Technology  
I.R.C. =Internal Revenue Code  
IRM = Internal Revenue Manual  
IRS or Service =Internal Revenue Service  
LB&I =Large Business and International Division of the IRS  
NIST =National Institute of Standards and Technology  
NBIC =National Background Investigation Center  
POC = Point of Contact  
PRST =Performance Requirements Summary Table  
PWS = Performance-based work statement  
QASP =Quality Assurance Surveillance Plan  
SBU = Sensitive but unclassified  
RRA98 =Revenue Reform Act of 1998  
TC =Team Coordinator  
USC = United States Code (also U.S.C.)

## Documents

### **Quality Assurance Surveillance Plan (QASP)**

A QASP may be utilized by the Service and sets forth guidelines that may be used in evaluating the technical performance of the Contractor. The procedures set forth in the QASP are not contractually binding on the Service or on the Contractor. The Contractor will be provided a copy of the QASP for informational purposes only – **See below - Section F2 Quality Assurance Surveillance Plan (QASP).**

### **Surveillance Activity Checklist**

A “Surveillance Activity Checklist” may be used by the COR/Evaluator to document Contractor’s performance – **See Section J, Exhibit 1 - Surveillance Activity Checklist.**

### **Decision Table**

A “Decision Table” may be used by the COR/Evaluator in documenting symptoms and in identifying possible sources of performance problems as well as assisting in the determination of contributing factors – **See Section J, Exhibit 2 - Decision Table.**

### **Performance Requirements Summary Table (PRST)**

A PRST may be utilized by the Government and describes to the Contractor how the Service will monitor the Contractor’s performance. The weights found in the table represent the maximum of the contract value that the Government can deduct for nonperformance or unsatisfactory performance of a service requirement. The Government has the unilateral right to change the Method of Inspection found in the table without notice to the Contractor – **See Section J, Exhibit 3 - Performance Requirements Summary Table.**

## **III. METHOD OF PAYMENT**

### **Evaluation of Services (See Section F - Quality Assurance Surveillance Plan – QASP))**

The Contractor's services will be evaluated by the Internal Revenue Service upon completion of all services directed by the Service under this Contract.

### **Holdback Provision:**

For purposes of FAR 52.232-7(a)(2), the amount withheld shall be 0% of the amount due.

## **IV.GENERAL PROVISIONS**

### **Disclosure Prohibitions**

TIRNE-14-C-00013

The Contractor may, to the extent authorized by the Internal Revenue Code (I.R.C.) for tax administration purposes, and as necessary for the performance of his or her duties under this Contract, be given access to confidential tax returns and return information, as those terms are defined in I.R.C. § 6103(b)(1) and (2), respectively. Unauthorized disclosures of tax returns or return information may subject the Contractor to personal liability for civil damages under I.R.C. § 7431(a)(2), criminal prosecution under I.R.C. § 7213, or both.

**Also see Section H – Disclosure, Safeguards and Security.**

**Limited Authority of the Contractor**

The Contractor shall not have the authority to perform inherently governmental functions as described in OFPP Policy Letter 11-01 including, but not necessarily limited to, any government policy-making, decision-making, portraying the Contractor as a representative of the government or performing governmental managerial responsibilities.

([http://www.whitehouse.gov/omb/procurement\\_index\\_work\\_performance/](http://www.whitehouse.gov/omb/procurement_index_work_performance/))

**Also see G.1 IR1052-96-019 Authority - Contracting Officer, Contractor Officer's Representative and Contractor's Project Manager.**

**Relationship with Office of Chief Counsel for the IRS**

It is clearly understood that the Office of Chief Counsel for the Internal Revenue Service, the attorneys assigned to this matter, are the representatives of the Service and are not the legal representative of the Contractor and cannot provide legal advice to the Contractor.

## SECTION D

### D.1 Packaging

All contract deliverables shall be delivered in accordance with the Contractor's best commercial practices unless otherwise expressly stated in Section F.

### D.2 Markings

All contract deliverables submitted to the IRS shall clearly indicate the following:

- A. Contract Number for which the information is being submitted;
- B. Complete delivery address including the organization's name;
- C. Point of Contact; and
- D. Other data or identification number as applicable (phone number, etc.).

### D.3 Postage and Fees

All submittals and/or deliverables, including forms, reports, etc., shall be shipped on a "postage paid" basis and not by COD (cash on delivery).

### D.4 Method and Point of Delivery

The Contractor/Expert is required to present all written deliverables to the COR by certified, registered, or overnight mail or by other reputable and traceable express delivery service. All deliverables shall be packaged and sent in accordance with instructions provided below:

#### MAILING INSTRUCTIONS

Documents and media shall be transmitted by a traceable and receipted manner. It shall be double wrapped with the outer wrapper addressed to the recipient and marked "DO NOT FORWARD - IF UNDELIVERABLE TO ADDRESSEE, RETURN TO SENDER" and "TO BE OPENED BY ADDRESSEE ONLY". The inner wrapper shall be addressed to an individual and marked with the CONTRACT NUMBER and "TO BE OPENED BY ADDRESSEE ONLY". The package shall be securely wrapped to avoid breakage.

**The COR's name and express package delivery address are provided below:**

Internal Revenue Service  
Attn: Tim Tuey  
450 Golden Gate Avenue, MS-6107  
San Francisco, CA 94102-3661

Phone: 415-837-6475 Email: [tim.tuey@irs.gov](mailto:tim.tuey@irs.gov)

TIRNE-14-C-00013

The POC's name and express package delivery address are provided below:

Internal Revenue Service  
Attn: Eli Hoory  
SE:LB:IN:TPO: M3-370  
801 9th Street, NW  
Washington, DC 20001

Phone: 202-515-4315 Email: [eli.hoory@irs.gov](mailto:eli.hoory@irs.gov)

#### **D.5 Media Type for Reports and Deliverables**

Drafts of spreadsheets, charts, reports, or other submissions, if any, prepared by the Contractor shall be prepared by the Contractor following the procedures and in the format(s) specified by the POC (format options to include, as selected by the POC, either electronic file format specified by the POC or hardcopy format or both).

Hardcopy deliverables, unless otherwise requested by the POC, shall be printed in permanent, laser quality black letter printing using Arial font in size 12 point print. Paper used in the report shall be white 20 lb. to 25 lb. "weight" with a minimum "brightness" of 90. Copies of all reports shall be professionally bound. Colored print and colored exhibits may be utilized for enhancement and/or to provide emphasis as deemed professionally appropriate.

#### **D.6 Digital Media – FIPS 140-2 Encryption Required**

All deliverables provided in a digital format shall be encrypted in accordance with Federal Information Processing Standard (FIPS) 140-2 (for example, using SecureZIP® data security & file compression software).

## SECTION E – Inspection and Acceptance

### E.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the CO will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/far>

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.246-4	Inspection of Services—Fixed-Price	(Aug 1996)

(End of clause)

## SECTION F

### **F.1 52.252-2 CLAUSES INCORPORATED BY REFERENCE (FEB 1998)**

This contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the CO will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/far>

<u>NUMBER</u>	<u>TITLE</u>	<u>DATE</u>
52.242-15	STOP-WORK ORDER	(AUG 1989)
52.242-17	GOVERNMENT DELAY OF WORK	(APR 1984)

(End of clause)

### **F.2 Quality Assurance**

The Service will monitor the performance of the Contractor through discussions with the Contractor, review of required reports, and direct observation of the Contractor's performance. The Service will assess the performance of the Contractor in accordance with the performance standards set forth in this work statement. The Contractor must meet the work requirements set out in Section C – Performance Requirements for said phase before final payment is made for that phase.

#### **QUALITY ASSURANCE SURVEILLANCE PLAN (QASP) – [Required]**

##### **Introduction**

This Quality Assurance Surveillance Plan has been developed pursuant to the requirements of the Performance Work Statement associated with this Contract. The QASP sets forth guidelines that will be used in evaluating the technical performance of the Contractor 1, John Quinn, and Contractor 2, John Gordon. The procedures set forth in the QASP are not contractually binding on the IRS or on the Contractor. The Contractor shall be provided a copy of the QASP for informational purposes.

#### **Roles and Responsibilities of Service Officials**

The following Service officials will participate in assessing the quality of the Contractor's performance. Their roles and responsibilities are described as follows:

1. The Contracting Officer's Representative (COR) is **Tim Tuey**.
2. The IRS person assigned primary responsibility for and assigned to be the Contractor's Point-of-Contact (POC) under this Contract for the subject issue is **Eli Hoory**.

3. The POC and COR will be responsible for reviewing, observing, assessing, and reporting the technical performance of the Contractor. All liaisons between the POC and AWSS Procurement shall be coordinated with the COR.
4. **Cheryl Richardson** will serve as the Contracting Officer (CO) and will have overall responsibility for overseeing the Contractor's performance in the areas of contract compliance, contract administration, cost control, reviewing the POC and/or COR assessment of the Contractor's performance, and resolving all differences between the POC and/or COR version and the Contractor's version.

### **Primary Methods of Surveillance**

- 100 Percent Inspection
- Validated Customer Complaints

### **Acceptable Quality Level (AQL)**

1. The AQL for all services and deliverables is 100%. The Contractor either is or is not in compliance with the specification. The "Final Reports" shall be:
  - a. Prepared in accordance with generally acceptable standards.
  - b. Printed in permanent, laser quality black letter printing using Arial font in size 12 print to include any associated exhibits and attachments. Paper used in the report shall be white 20 lb. to 25 lb. "weight" with a minimum "brightness" of 90.
  - c. Signed by the principle Contractor/Expert(s) and all supporting Contractor/Experts responsible for developing the opinion and shall include copies of their professional resumes.
  - d. Delivered as **three** original professionally bound copies and one unbound copy.

**Population (Lot size):** Not applicable

**Level of Surveillance:** Not applicable

**Sampling procedures:** Each work requirement will be evaluated when provided.

### **Evaluation Procedures:**

The Service will monitor the performance of the Contractor through direct, documented observations of the Contractor's performance, where appropriate; through discussions with the Contractor; and through review of reports and other documents required by the contract.

The POC and/or COR may utilize "Surveillance Activity Checklists" to document the Contractor's performance as services and deliverables are provided. Any complaints received will be documented and validated. . – See Section J.

### **F.3 Analysis of Results of Performance Surveillance**

- a. The COR will assess work performance in accordance with the performance standards set forth in the Performance Work Statement (PWS) and the surveillance methods described herein and maintain a written record of the assessment as services and deliverables are provided.
- b. Recommended payment reductions will be taken in accordance with the contract terms for all documented defects and will be calculated as required.
- c. The COR will monitor the Contractor's overall performance and recommend appropriate administrative actions to the Contracting Officer when performance is less than satisfactory.

#### **F.4 Period of Performance**

The period of performance of this Contract begins on the execution date of this Contract and expires in accordance with this Contract based on the date of settlement and/or final disposition of the taxpayer case Period of Performance Date of Award thru 12/31/16. Although all four phases are non-severable, it is the unilateral right of the Government to exercise option phases in accordance with contract terms. The period of performance is dependent on the litigation schedule of the government, the Court's scheduling order, Settlement and/or final disposition of the Taxpayer case, not to exceed five years, whichever is later.

#### **F.5. Contract Term**

The contract term shall cover the furnishing of the supplies and services described in the Schedule, from the date of award for an estimated term of 18 months

#### **F.6 Deliverables**

Deliverables include the following:

- Verbal reporting of the Expert's facts, conclusions and findings to Client and, if desired by Client, written report(s).
- Draft and final expert reports,
- Workpapers and other documentation associated with the requirements of the contract,
- Bi-weekly status reports or as required

#### **Method and Point of Delivery**

The Contractor shall present all written deliverables to the POC or COR (as instructed) using the delivery option specified by the POC or COR, the Service's choice of delivery options to include, but not be limited by, the following: (i) certified or registered overnight mail, (ii) other reputable and traceable express overnight delivery service, (iii) secure electronic means specified by the

POC or the Case Manager, (iv) hand delivery, or (iv) a combination of the foregoing delivery methods.

All deliverables shall be packaged and sent in accordance with instructions provided in Section D – unless otherwise directed by the COR.

### **Delivery Schedule**

Delivery time in the schedule below is based upon calendar days unless otherwise specified.

<b>Period of Performance</b>	Award Date through End of Contract
<b><u>ITEM</u></b>	<b><u>DELIVERY TIME</u></b>
<b>Phase 1:</b>	
a. Preliminary Meeting	a. As mutually agreed upon between POC, COR and Contractor, but, unless otherwise agreed to by POC and COR, no later than 10 days after Contractor 2 receives interim SBU access.
b. Additional meetings or conference calls with the Service	b. As mutually agreed upon between POC and Contractor.
c. Meeting or conference call to Discuss Analysis To-Date	c. As mutually agreed upon between POC and Contractor, but not later than July 8, 2014 unless otherwise agreed by POC and COR
d. Detailed Briefing by Key Personnel (initial delivery)	d. As mutually agreed upon between POC and Contractor, but not later 90 days after Contractor 2 receives interim access from the National Background Investigation Center unless otherwise agreed by POC and COR.
e. Detailed Briefing by Key Personnel (repeat briefings if requested by Service)	e. As mutually agreed upon between POC and Contractor.
f. Additional Contractor Services	f. As mutually agreed upon between POC, COR and Contractor.
g. Phase 1 Completion Date	g. As mutually agreed upon between POC, COR and Contractor, but, unless otherwise agreed to by POC and COR, no later than 60 days after the point in time when the case is successfully resolved with the Taxpayer or when the case leaves LB&I's jurisdiction
<b>Period of Performance</b>	December 31, 2015
<b>Monthly Status Report</b>	On the 10th of each month
<b>Resubmission of contract deliverable due to error, omission, or deficiency</b>	As mutually agreed between COR and Contractor not to exceed 10 days after notification of

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	unacceptable deliverable, unless the COR agrees to additional time is agreed to in writing.
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## SECTION G

### **G.1 DTAR 1052.201-70 CONTRACTING OFFICERS TECHNICAL REPRESENTATIVE (COTR) APPOINTMENT AND AUTHORITY (APR 2004)**

(a) The Contracting Officer's technical representative is

**Internal Revenue Service, Large Business and Int'l-Lb&I, Deputy Comm (Domestic), Natural Resources & Construct, Director Engineering, Terr 11 Engineers-San Fran, 450 Golden Gate Ave, 450 Golden Gate Ave, CA 94102-3661.**

**Prime COTR : Mr. Tim Tuey @ (415) -837-6475**

(b) Performance of work under this contract shall be subject to the technical direction of the COTR identified above, or a representative designated in writing. The term "technical direction" includes, without limitation, direction to the Contractor that directs or redirects the labor effort, shifts the work between work areas or locations, fills in details and otherwise serves to ensure that tasks outlined in the work statement are accomplished satisfactorily.

(c) Technical direction must be within the scope of the specification(s)/work statement. The COTR does not have authority to issue technical direction that:

- (1) constitutes a change of assignment or additional work outside the specification(s)/work statement;
- (2) constitutes a change as defined in the clause entitled "Changes";
- (3) in any manner causes an increase in the contract price, or the time required for contract performance;
- (4) changes any of the terms, conditions, or specification(s)/work statement of the contract;
- (5) interferes with the Contractor's right to perform under the terms and conditions of the contract; or,
- (6) directs, supervises or otherwise controls the actions of the contractor's employees.

(d) Technical direction may be oral or in writing. The COTR shall confirm oral direction in writing within five work days, with a copy to the contracting officer.

(e) The Contractor shall proceed promptly with performance resulting from the technical direction issued by the COTR. If, in the opinion of the Contractor, any direction of the COTR, or his/her designee, falls within the limitations in (c), above, the Contractor shall immediately notify the contracting officer no later than the beginning of the next Government work day.

(f) Failure of the Contractor and the contracting officer to agree that technical direction is within the scope of the contract shall be subject to the terms of the clause entitled "Disputes."

## **G.2. CONTRACTING OFFICER**

The CO for administration of this contract is:

**Internal Revenue Service, Office of Business Operations, Area Field Procurement  
Operations - Northeast, Attn: Cheryl Richardson, 290 Broadway - 3rd floor, New York, NY  
10007- 1867**

The telephone number for the Contracting Officer is: **212-436-1518.**

The CO, in accordance with Subpart 1.6 of the Federal Acquisition Regulation, is the only person authorized to make or approve any changes in any of the requirements of this contract, and notwithstanding any clauses contained elsewhere in this contract. The said authority remains solely with the CO. In the event the Contractor makes any changes at the direction of any person other than the CO, the change will be considered to have been made without authority and no adjustment will be made in the contract price to cover any increase in cost incurred as a result thereof.

### **G.2.1 CONTRACTOR'S PROJECT MANAGER**

A. The Contractor's Project Manager(s) assigned to this project is (are):

Name: **Mr. Christopher Tayback, Partner**

Address: **865 South Figueroa Street, 10th Floor  
Los Angeles, CA 90017**

Email: **christayback@quinnmanuel.com**

Telephone No.: **(213) 443-3170**

### **G.2.3 CONTRACTOR'S KEY PERSONNEL**

("Key Personnel" and "Contractor's Project Manager" are often not the same person. The Key Personnel, below should also be in Section B. under line items)

#### **NAME OF KEY PERSONNEL:**

- (1) Partner (Key Expert/Contractor 1) - John Quinn
- (2) Partner (Key Expert/Contractor 2) - John Gordon
- (3) Partner – Jeremy Anderson
- (4) Associate(s) - Noah Helpern; Ryan Keech
- (5) Paralegal – Carol O'Connor

B. The individuals named above is/are proposed to work on this project or case and is/are the Key Personnel assigned under this contract. This/these individual(s) are considered essential to the

work being performed under this contract. If this individual(s) leaves the Contractor's employment or is reassigned to other programs, the Contractor shall notify the CO or COTR reasonably in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the program. No diversion or replacement shall be made by the Contractor without the written consent of the CO.

C. Changes or substitutions in the Key Personnel assigned and/or to the technical work statement and any accepted technical proposal is prohibited, unless prior written approval from the CO is obtained. Failure to comply with this requirement will result in nonpayment for services that are provided by the unauthorized key personnel or that are the result of technical changes.

## G3 INVOICES

### **G.3.1 INVOICING PROCEDURES**

A. To ensure prompt payment of invoices and to assist the Government in accounting for services provided by the Contractor, the Contractor shall provide a proper invoice every month during the term of this Contract; whether or not work is performed in such month. The invoice shall reflect all work performed during the month the invoice is submitted except for work performed after submittal of the invoice, which work shall be reflected on the invoice submitted the following month. A proper invoice at a minimum shall contain the elements prescribed in the clause at 52.232-25 PROMPT PAYMENT, Alternate 1 (see Section I Clauses Incorporated by Reference, of this contract). A redacted portion of that clause, setting forth required elements of a proper invoice is provided below:

- (i) Name and address of the Contractor.
- (ii) Invoice date and invoice number. (The Contractor should date invoices as close as possible to the date of the mailing or transmission.)
- (iii) Contract or purchase order number, including contract line item number.
- (iv) Name and address of Contractor official to whom payment is to be sent (must be the same as that in the contract or in a proper notice of assignment).
- (v) Name (where practicable), title, phone number, email, fax number and mailing address of person to notify in the event of a defective invoice.
- (vi) Taxpayer Identification Number (TIN). The Contractor shall include its TIN on the invoice only if required elsewhere in this contract.
- (ix) Electronic funds transfer (EFT) banking information.

B. Proper invoice requirement includes also: description, quantity, unit of measure, unit price and extended price of supplies delivered or services performed.

Basically the invoice should be a replica of the purchase/contract order received for performance.

An invoice that includes undelivered supplies or unperformed services will be considered improper. The Prompt Payment Act requires all improper invoices be returned to vendor unpaid. Invoices returned for undelivered supplies and /or unperformed services may be resubmitted if one of the following conditions is met.

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1. All supplies referenced have been delivered and /or all relevant services been performed.
2. The invoice has been changed to reflect only delivered supplies and/or performed services

**G.3.1 1052.232-7003: Electronic Invoicing and Payment Requirements for the Invoice Processing Platform (IPP) (Aug 2012)**

The U.S. Department of the Treasury, Financial Managements Internet Payment Platform (IPP) is a government-wide electronic payment information service that replaces the Payment Advice Internet Delivery (PAID) system. IPP allows vendors to receive their remittance information from their financial institution. Effective October 31, 2008, IPP replaced the PAID system. Former PAID users have been automatically migrated to IPP and need to complete the initial provisioning process from the new user ID, temporary password, and web address sent by Treasury. This is necessary in order to log in to the IPP and view or download payment information. New vendors may register on-line at <https://ipp.gov>. For additional information, refer to the IPP Customer Support at (866) 973-3131.

The IPP will continue to support the following notification services previously offered by PAID: Web access only to remittance data, no payment notification emails sent, payment notification without remittance detail, and payment notification with remittance detail. Users may select event-driven notifications and schedule the frequency. Vendors can only access their own payment data. IPP remittance information includes the following data: ACH trace number, supplier name, agency name, payment status, issue date, invoice number, PO number, invoice amount, discount amount, payment amount, bank name, and bank address. The IPP will collect payment data for 18 months, which will be available for search, display and download. Payment information will be uploaded to the IPP daily from Treasury systems on the date of payment.

(End of Clause)

**IR1052.232-7003 Electronic Invoicing and Payment Requirements for the Invoice Processing Platform (IPP) (AUG 2012):**

Include in: (a) all solicitations, contracts, blanket purchase agreements (excluding "N" type BPAs), task orders, delivery orders, and purchase orders issued or awarded on or after October 1, 2012; (b) all solicitations (for other than indefinite delivery contracts) released in Fiscal Year 2012 in which the initial or base period of performance in the resulting contract, agreement, or order will have an effective date on or after October 1, 2012; and (c) all existing indefinite delivery contracts where either task orders or delivery orders will be issued or awarded with an effective date on or after October 1, 2012. This clause also includes a waiver form that should be utilized in certain circumstances as described in paragraph (f) of this clause.

**ELECTRONIC INVOICING AND PAYMENT REQUIREMENTS FOR THE INVOICE PROCESSING PLATFORM (IPP) (AUG 2012)**

(a) Definitions:

"Short payment" as used in this clause means an invoice that includes the cost or price for supplies or services delivered or performed, as well as the cost or price for supplies or services not yet tendered to the Government in accordance with the terms of the contract, order or agreement.

"Short payment" example: The contract requires the delivery of a set number of items, with the price, delivery location, and delivery due date also specified. The vendor delivers 50% of the items as specified but invoices for 100% of the items. Before implementation of the IPP, the IRS would have paid the vendor for the items delivered and instructed the vendor to re-invoice the IRS when the balances of the items were delivered. In other words, the IRS would "short pay" the invoice since the IRS did not remit payment for the full invoice amount. With implementation of the IPP, the IRS can no longer do this because the IRS cannot accept an electronic invoice that includes items not yet received. The IRS will reject the invoice. The vendor needs to submit an invoice for only the items received by the IRS (in this case, 50%), and, assuming that these items meet all other contract terms and conditions, the IRS will pay the invoiced amount. The vendor submits subsequent invoice(s) for items as they are delivered and accepted.

(b) The Invoice Processing Platform (IPP) is a secure Web-based electronic invoicing and payment information service available to all Federal agencies and their suppliers. Effective October 1, 2012, invoicing for payment through the IPP will be mandatory for all new contract awards. Additional information regarding the IPP may be found at the IPP website address <https://www.ipp.gov>. Contractors must complete the contractor point of contact information below, and submit it with their proposal submissions. Contractors may contact the IPP Helpdesk for assistance via e-mail at [ippgroup@bos.frb.org](mailto:ippgroup@bos.frb.org) or via phone at (866) 973-3131. Once a contract award has been made, the contractor will be contacted by the IPP via e-mail to set-up an account. It will be necessary for contractors to login to their IPP accounts every 90 days to keep their IPP accounts active.

#### **(c) Contractor Point of Contact Information**

**Contractor Name:** Quinn Emanuel Urquhart & Sullivan, LLP

**Contractor IPP Point of Contact Name:** Christopher Tayback

**Contractor Phone Number:** 213-443-3170

**Contractor E-mail Address:** [christayback@quinnemanuel.com](mailto:christayback@quinnemanuel.com)

#### **(d) Electronic Invoicing and Payment Requirements**

Vendor invoices submitted electronically through the IPP should be in the proper format and contain the information required for payment processing. In order to be approved for payment, a "proper invoice" must list the items specified in FAR 52.232-25 (a)(3)(i) through (a)(3)(x), or in the case of a Commercial Item Contract, the items included in 52.212-4(g)(1)(i) through (g)(1)(x).  
– See G3.1 above

Under this contract, the following documents are required to be submitted as an attachment to the invoice (Any Expenditures above the threshold requirement)):

#### **(e) Payment and Invoice Questions**

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For payment and invoice questions, contact the Beckley Finance Center at (304) 254-3372 or via e-mail at cfo.bfc.ipp.customer.support@irs.gov.

(f) Waiver

If the Contractor is unable to use the IPP for submitting payment requests starting on October 1, 2012, then a waiver form must be completed and submitted with the contractor's proposal submission for review and approval by the Contracting Officer based on one of the conditions listed in the waiver form included as Attachment 1 to this clause. The vendor will be notified prior to award as to whether their request for waiver has been approved or denied. If the waiver is granted, then a copy of the waiver must be submitted with each paper invoice that the vendor submits to the payment office or the invoice will be returned.

(g) Short Payment

Short payment on vendor submitted invoices will no longer be processed or paid. If any portion of the invoice does not meet the requirements for a proper invoice, the entire invoice shall be rejected and returned to the vendor unpaid.

(End of Clause)

The Contractor's proper invoice shall also be submitted as follows:

***One copy shall be submitted to the COTR for receipt and acceptance purposes. (see Section G1(a) respectively).***

## **INFORMATION COPY OF INVOICES**

For informational purposes, a copy of each invoice shall be sent to the IRS CO: (see Section G2)

### **G.3.2 PAYMENT INQUIRIES**

***These inquiries should be directed to the designated IRS COTR. (See Section G.1, above).***

### **G.3.3 FINAL INVOICE REQUIREMENT**

A. As stated above, the period of performance of this Contract begins on the execution date of this Contract and expires as specified in Section F.3, above. Prior to the expiration of the Contract, the Contractor will be notified in writing by the CO of the date the Contractor's services will no longer be required. The Contractor shall then submit the final invoice for previously unbilled, costs and expenses incurred through the date specified in the notification.

B. The final invoice shall be submitted within 10 days from receipt date of notification unless another reasonable due date is agreed to between the Contractor and the CO.

C. The Contractor shall mark the last invoice submitted under the Order as "FINAL INVOICE".

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#### **G.3.4 DISPUTED/IMPROPER/UNAPPROVED INVOICES**

Any disputed, improper, and/or unapproved invoice(s) will be returned, with a written explanation from the COTR or Technician at the Paying Office, to the Contractor.

## SECTION H

### **H.1 IR1052.204-9001 IDENTIFICATION/BADGING REQUIREMENTS (MARCH 1998)**

During the period of this contract, access to IRS facilities for Contractor representatives shall be granted as deemed necessary by the Government. All Contractor employees whose duties under this contract require their presence at any Treasury, or Treasury bureau, facility shall be clearly identifiable by a distinctive badge furnished by the Government. In addition, corporate identification badges shall be worn on the outer garment at all times. It is the sole responsibility of the Contractor to provide this corporate identification. Upon the termination of the employment of any Contractor personnel working on this contract, all Government furnished identification shall be returned to the issuing office. All on-site Contractor personnel shall abide by security regulations applicable to that site.

[End of clause]

### **H.2 IR1052.224-9000(a) Disclosure of Information-Safeguards (JANUARY 1998)**

In performance of this contract, the Contractor agrees to comply and assume responsibility for compliance by his/her employees with the following requirements:

- (1) All work shall be performed under the supervision of the Contractor or the Contractor's responsible employees.
- (2) Any return or return information made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone other than an officer or employee of the Contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspections or disclosures should be addressed to the IRS Contracting Officer.
- (3) Should a person (Contractor or subcontractor) or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause (FAR 52.249-8), incorporated herein by reference, may be invoked, and the person (Contractor or subcontractor) will be considered to be in breach of this contract.

[End of Clause]

### **H.3 IR1052.224-9000(b) Disclosure of Information--Safeguards (JANUARY 1998)**

In performing the services described herein, the Contractor agrees to comply and assume responsibility for compliance by his/her employees with the following requirements:

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- (1) The films or photo impressions and reproductions made there from shall be used only for the purpose of carrying out the provisions of this contract and information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract.
- (2) All the services shall be performed under the supervision of the Contractor or his/her responsible employees.
- (3) All material received for processing and all processed and reproduced material shall be kept in a locked fireproof compartment in a secure place when not being worked upon.
- (4) All spoilage of reproductions made from the film or photo impressions supplied to the Contractor shall be destroyed and a written statement under the penalties of perjury shall be submitted to the Contracting Officer that such destruction has been accomplished.
- (5) All film, photo impressions, and reproductions made there from shall be submitted to the Internal Revenue Service by personal delivery, express mail, first-class mail, parcel post, or bonded carrier.
- (6) Inspection by or disclosure to anyone other than an officer or employee of the Contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspection or disclosure shall be addressed to the Contracting Officer.
- (7) Should the Contractor or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause (FAR-52.249-8), incorporated herein by reference, may be invoked, and the Contractor will be considered to be in breach of this contract.

[End of Clause]

#### **H.4 IR1052.224-9000(c) Disclosure of Information--Safeguards (NOVEMBER 2005)**

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his/her employees with the following requirements:

- (1) All work shall be performed under the supervision of the Contractor or the Contractor's responsible employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone other than an officer or employee of the Contractor shall require prior written approval of the Internal Revenue Service. Requests to make such inspections or disclosures should be addressed to the IRS Contracting Officer.

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(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output shall be given the same level of protection as required for the source material.

(4) The Contractor certifies that the data processed during the performance of this contract shall be completely purged from all data storage components of his/her computer facility and no output will be retained by the Contractor at the time the IRS work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized inspection or disclosure.

(5) Any spoilage or any intermediate hard copy printout which may result during the processing of IRS data shall be given to the IRS Contracting Officer or his/her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and shall provide the IRS Contracting Officer or his/her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

(6) No work involving information furnished under this contract will be subcontracted without the specific approval of the IRS Contracting Officer.

(7) All computer systems, processing, storing and transmitting tax data must meet or exceed Controlled Access Protections (CAP) wherein the operating security features of the system have the following minimum requirements: (a) an approved security policy; (b) accountability; (c) assurance; and (d) documentation.

(8) Should a person (Contractor or subcontractor) or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause (FAR 52.249-8), incorporated herein by reference, may be invoked, and the person (Contractor or subcontractor) will be considered to be in breach of this contract.

(9) [Include any additional safeguards that may be appropriate.]

[End of Clause]

**H.5 IR1052.224-9000(d) Disclosure of "Official Use Only" Information Safeguards (MAR 2008)**

Any Treasury Department Information made available or to which access is provided, and which is marked or should be marked "Official Use Only", shall be used only for the purpose of carrying out the provisions of this contract and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Disclosure to anyone other than an officer or employee of the Contractor or subcontractor at any tier shall require prior written approval of the IRS. Requests to make such disclosure should be addressed to the IRS Contracting Officer.

[End of Clause]

**H.6 IR1052.224-9001(a) Disclosure of Information--Criminal/Civil Sanctions (JAN 1998)**

(1) Each officer or employee of any person (Contractor or subcontractor) at any tier to whom returns or return information is or may be disclosed shall be notified in writing by the person (Contractor or subcontractor) that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person (Contractor or subcontractor) shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure plus in the case of willful disclosure or a disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person (Contractor or subcontractor) to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract and that inspection of any such returns or return information for a purpose or to an extent not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person (Contractor or subcontractor) shall also notify each such officer and employee that any such unauthorized inspection of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection plus in the case of a willful inspection or an inspection which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(I)(1), which is made applicable to Contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

[End of Clause]

**H.7 IR1052.224-9001(b) Disclosure of Information-Official Use Only (MAR 2008)**

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Each officer or employee of the Contractor or subcontractor at any tier to whom "Official Use Only" information may be made available or disclosed shall be notified in writing by the Contractor that "Official Use Only" information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such "Official Use Only" information, by any means, for a purpose or to an extent unauthorized herein, may subject the offender to criminal sanctions imposed by 18 U.S.C. Sections 641 and 3571. Section 641 of 18 U.S.C. provides, in pertinent part, that whoever knowingly converts to his use or the use of another, or without authority sells, conveys, or disposes of any record of the United States or whoever receives the same with the intent to convert it to his use or gain, knowing it to have been converted, shall be guilty of a crime punishable by a fine or imprisoned up to ten years or both.

[End of Clause]

#### **H.8 IR1052.224-9002 Disclosure of Information--Inspection (DECEMBER 1988)**

The Internal Revenue Service shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, the Contracting Officer may require specific measures in cases where the Contractor is found to be noncompliant with contract safeguards.

[End of Clause]

#### **H.9 IR1052.224-9005 Disclosure of Information (JANUARY 1998)**

(a) I hereby certify that I will not disclose the identity of the taxpayer (living or deceased) or the property or items to be valued, nor the results of any appraisal unless authorized in writing by the Contracting Officer. I agree that, whether or not a contract is awarded to me, I will keep all information confidential.

(b) If an IRS contract is awarded and it is necessary to allow inspection or to disclose confidential information to perform under the contract, I will request, in writing, authorization from the IRS Contracting Officer to make such inspection or disclosure.

[End of Clause]

#### **H.10 IR1052.224-9006 Nondisclosure of Information (JANUARY 1998)**

(a) Except as provided elsewhere in this contract, the Contractor shall not disclose the identity of the taxpayer or property being appraised, nor the results of the appraisal except to the individual specified in this contract to receive the Contractor's report.

(b) Only those inspections or disclosures authorized in writing by the Contracting Officer may be made, and only when it is clearly shown by the Contractor that such inspections or disclosures are essential to successfully perform under this contract.

(c) Should a person (Contractor or subcontractor) or one of his/her employees make any unauthorized inspection(s) or disclosure(s) of confidential tax information, the terms of the Default clause (FAR 52.249- 8), incorporated herein by reference, may be invoked, and the person (Contractor or subcontractor) will be considered to be in breach of this contract.

[End of Clause]

#### **H.11 IR1052.224-9007 Authorization to Make Limited Disclosure (DECEMBER 1988)**

The Contractor is authorized to disclose the name and address of the taxpayer and/or the legal description of the property to courts of record or other sources when such disclosures are required in order to adequately accomplish the appraisal. Additional disclosures may be made only when authorized or directed by the Contracting Officer.

[End of Clause]

#### **H.12 IR1052-98-012 Nonpayment For Unauthorized Work**

No payments will be made for any unauthorized supplies or services, or for any unauthorized changes to the work specified herein. This includes any service performed by the Contractor of his own volition or at the request of an individual other than a duly appointed Contracting Officer. Only a duly appointed Contracting Officer is authorized to change the specifications, terms, and conditions in this contract.

[End of Clause]

#### **H.13 Government's Price Ceiling**

Services and/or materials in excess of the negotiated total estimated price in Section B are provided at the Contractor's own risk. Additionally, the Contractor must immediately notify the IRS COTR and the IRS CO when the price ceiling is 85% expended.

#### **H.14 Travel Status, Meals and Incidental Expenses**

The Contractor's personnel may be required to travel to perform duties as specified in this Contract.

The Service will be responsible for reimbursement of travel costs only when such travel costs have been authorized in advance by the COR. Reimbursement shall be in accordance with FAR § 31.205-46 (Travel Costs) and current Federal Travel Regulations.

Authorized costs shall be itemized by the Contractor and submitted with supporting documents (receipts, paid invoices, etc.) for reimbursement by the Service not to exceed the funding limitation established by the Contracting Officer at time of contract award or through contract modification.

**TRAVEL EXPENSES**

Travel expenses will be limited to travel and per diem expenses at rates established in the Federal Travel Regulations for official Government travel. The Service reserves the right to determine modes of transportation, routes, etc., for purposes of travel cost reimbursement.

If applicable in connection with the performance of the work set forth in this Contract, the Contractor may be reimbursed actual cost of travel and subsistence expenses subject to the following limitations:

1) Transportation costs may be based upon mileage rates, actual costs incurred, or combination thereof, provided the method used results in a reasonable charge that does not exceed the mileage rate in effect at the time of travel as set forth in the Federal Travel Regulations. The Service reserves the right to determine the mode of transportation, routes, etc., for purpose of travel cost reimbursement.

2) Costs incurred for lodging, meals, and incidental expenses, as defined in FAR 31.205-46, are allowable only to the extent that they do not exceed on a daily basis, the maximum per diem rates in effect at the time of travel as set forth in the Federal Travel Regulations prescribed by the General Services Administration.

3) Travel and subsistence expenses are subject to the following:

A) A subsistence allowance covering reasonable expenditures for lodging and meals, not to exceed applicable Government per diem rates per day.

B) Actual cost of public transportation, limited to less than first class.

C) Expenses for transportation by privately owned vehicle on a mileage basis at the current standard Government rate, plus toll and ferry charges.

D) Cost of transportation from terminal to hotel, or terminal to either Service office, Federal Courthouse, and Taxpayer locations.

E) Invoices must be itemized as to all expenses incurred. Each authorized travel and subsistence expense exceeding \$75.00 must be supported by a copy of paid receipt.

F) No reimbursement will be made for time spent in travel status.

**TRAVEL STATUS, MEALS AND INCIDENTAL EXPENSES (M&IE)**

For authorized travel, the allowable Federal Travel Regulation (FTR) M&IE calculations and costs for authorized travel, if any, are explained and included with each authorized trip.

- Under the FTR, no receipts are required for allowable M&IE.
- The following additional FTR rules also apply to meals and incidental expenses for authorized travel, if any:

- No M&IE is allowable for travel status of 12 hours or less;
- For travel status exceeding 12 hours, the first day of travel and the last day of travel is each limited to 75% of the allowable daily M&IE rate; and
- For travel status of more than 12 hours but less than 24 hours when no lodging is required, M&IE is limited to 75% of the allowable daily M&IE rate.
- Use of privately owned vehicle (when use of POV is determined to be advantageous to the Government) while on travel status under this contract will be reimbursed at the allowable FTR current mileage rate.

## **TRAVEL STATUS, LODGING**

For authorized travel, the traveler should request the Government rate (Department of Treasury) when making lodging reservations (if hotel questions this, please have hotel call IRS CO). Legible copies of lodging receipts are required for reimbursement, in any dollar amount. Taxes related to lodging are reimbursed under miscellaneous travel expenses.

## **TRAVEL COSTS, RECEIPTS REQUIRED**

Pursuant to the FTR, legible copies of receipts for any single travel-related expenditure exceeding \$75.00 are required for authorized travel.

## **TRAVEL COSTS, RECEIPTS NOT REQUIRED**

Pursuant to the FTR, receipts are not required for any single travel-related expense, which is under \$75.00 (except for lodging and air/rail fare) for authorized travel. No receipts are required for authorized privately owned vehicle mileage at the allowable FTR mileage rate.

## **ALLOWABLE DIRECT PROJECT, NON-TRAVEL COSTS, RECEIPTS**

Legible copies of receipts are required for any, authorized allowable direct project, non-travel items billed at cost, in any dollar amount, on the Contractor's invoices.

## **ALLOWABLE DIRECT PROJECT COSTS, RECEIPTS UNAVAILABLE**

If any cost item billed under a Contractor's invoice requires a receipt and it is not furnished, then the failure to do so must be fully explained with the invoice. Nonetheless, the Government reserves the right to determine whether or not payment therefore is appropriate.

## **EXCEPTION TO PER DIEM MAXIMUM**

In special or unusual situations, actual costs in excess of the above-referenced maximum per diem rates are allowable, provided that such amounts do not exceed the higher amount authorized for

Federal civilian employees as permitted in the Federal Travel Regulations. For such higher amount to be allowable, justification must be received by the Contracting Officer, from the Contractor, ensuring that the authority will be properly administered. If the higher expense method is to be used, invoices must be itemized as to all expenses incurred. The Contractor must obtain advance approval from the Contracting Officer prior to incurring costs in excess of the above-referenced maximum per diem rates.

## **MISCELLANEOUS EXPENSES**

The Contractor's actual cost of miscellaneous expenses directly associated with contract performance may be reimbursable. Expenses include, but are not limited to, postage, express mail, facsimile, photocopying, online research, and outside research materials. A necessary and reasonably priced expense is reimbursable, provided such expenses have been identified in advance by the Contractor and authorized by the Contracting Officer. Expenses included in the Contractor's hourly rates(s) established in the Schedule, and considered a part of normal business expense included in the Contractor's overhead, or general and administrative rates are not reimbursable.

### **H.15 Other Direct Costs**

Includes: expenses for copies, telephone calls, express mailing service, printing costs, fax, data, and mail. Expenses must be itemized on invoices, with legible copies of receipts attached.

### **H.16 Reimbursement for Contractor Services**

A contractually binding labor-hour rate (or rates) shall be established for Contractor services to be rendered under the requirements of Phase 1 and Phase 2. Payment will be made in accordance with FAR 52.232-7, Alt. II, Payments Under Time-and-Materials and Labor-Hour Contracts. Work in Phase 1 and Phase 2 shall be performed and billed on an hourly basis. The hourly rates are the Contractor's complete compensation, except for reimbursement of the Contractor's cost of travel or miscellaneous expenses authorized in advance by the Contracting Officer. Reimbursement of Contractor's Travel and Miscellaneous expenses will be made based upon the terms outlined below above under H.14 Travel Status, Meals and Incidental Expenses.

### **H.17 5% Withholding On Payments for Services**

Per FAR 52.232-7 Payments under Time-and-Materials and Labor-Hour Contracts:

(7) Unless otherwise prescribed in the Schedule, the Contracting Officer may unilaterally issue a contract modification requiring the Contractor to withhold amounts from its billings until a reserve is set aside in an amount that the Contracting Officer considers necessary to protect the Government's interests. The Contracting Officer may require a withhold of 5 percent of the amounts due under paragraph (a) of this clause, but the total amount withheld for the contract shall not exceed \$50,000. The amounts withheld shall be retained until the Contractor executes and delivers the release required by paragraph (g) of this clause.

## **H.18 Suspension and/or Cessation of Work**

The COR or POC may notify the Contractor orally. This will be confirmed in writing via modification to the order by the CO that all or part of the work called for by this contract shall be suspended, or shall cease until further notice. Upon receipt of this notification, the Contractor shall immediately suspend performance and incur no further expenses under this Contract.

The Contractor shall not resume work until instructed to do so by written notification from the CO. In an emergency situation (after business hours or on a weekend), the COR or POC may issue this notification orally, however the CO shall confirm such notification in writing within two business days. If the CO does not confirm the oral notification within two business days than such oral notification is rescinded.

## **H.19 Government-Furnished Property**

Taxpayers' returns and return information, records, documents, and other pertinent data needed, for official use only, may be furnished to the Contractor by the Government's project personnel, upon commencement of work under this Contract. This Government-furnished property shall be returned to POC or COR, as directed, or destroyed upon completion of performance of the Contract.

## **H.20 Conflict of Interest - Disclosure of Actual or Potential Conflicts of Interests and Need for Written Informed Consent Prior to Representation**

The Contractor shall immediately notify the COR and POC of any real or apparent conflicts of interest and of any potential conflicts of interest.

A. The Contractor is a law firm that represents current clients in matters adverse to the Internal Revenue Service or the U.S. Department of the Treasury that are unrelated to the scope of work contemplated by this Contract and that create waiveable concurrent conflicts of interest under the applicable rules of professional conduct for lawyers. Prior to representing the Service, the Contractor must first obtain informed consent under the applicable rules of professional conduct, including written informed consent from the Service ("IRS Informed Consent"), for all such concurrent conflicts of interest. The parties contemplate that, if granted by the Service, the IRS Informed Consent will, under terms agreeable to both the Service and the Contractor, waive concurrent conflicts and also give the Contractor flexibility to represent clients in certain new matters that may be adverse to the Service or the U.S. Department of the Treasury. Proposed language for the IRS Informed Consent will be submitted to the Service by the Contractor and, if agreeable to the Service, accepted by the Service in writing and returned to the Contractor. Until the award of the Contract and the execution of the IRS Informed Consent, the Contractor and the Service will have no obligations under this Contract including, but not limited to, providing services or payment. If IRS Informed Consent is not granted by the Service to the Contractor either prior to Contract award or within 180 days after Contract award, the Contract will be terminated.

B. Independent Judgment is an essential element of the Contractor's performance under this Contract. To ensure that the Contractor's independence is not compromised, or that such independence could not be reasonably challenged in litigation, the Contractor shall take all steps necessary to avoid conflicts of interest, including taking steps to assure that it does not provide services to other clients that would require the Contractor to take positions adverse or contrary to the Government's position in this case.

C. Prior to execution of the Contract, the contractor shall inform the Government of any client(s) it is currently representing, or that it has represented in the past, for which a conflict of interest may exist if the contractor were to provide services to the Government under this Contract. The Contractor may also submit to the Government proposed remedial measures to mitigate such conflicts. The Government will evaluate this information and decide whether the contractor's relationship or performance of services to other parties would prevent the contractor from rendering services in an impartial, unbiased, and objective manner to the Government, or would otherwise create a conflict of interest or potential conflict of interest. The Contractor's failure to provide this information to the Government prior to Contract award may be grounds for termination for default should the government learn, during the Contract, of a conflict of interest that the Contractor was required to bring to the Government's attention under this clause.

D. Upon the award of the Contract and the execution of the IRS Informed Consent, the Contractor is expected to fully perform all phases of the Contract during the pendency of the case that is the subject of this Contract, unless otherwise directed by the Service. During performance of the Contract, the Contractor is barred from providing services to any other parties in the case which is the subject of this contract. In the event the Contractor performs services during the period of this Contract to third parties, which the Service believes creates a conflict of interest or potential conflict of interest, which is not permitted under the IRS Informed Consent that was granted, the Service reserves the right to immediately terminate the Contract for default. In such event, the Contractor will be liable to the Government for all monies previously paid to the Contractor under the Contract, as well as additional costs incurred by the Service to re-procure Contractor services in this matter.

E. Upon contract award, the Key Personnel represent to and commit to the following:

(1) During the pendency of the case that is the subject of this Contract, the Key Personnel will not represent any taxpayer on a tax issue similar in nature to the types of issues that are the subject of this Contract (transfer pricing or the tax treatment of business transactions or restructurings between related parties);

(2) The Key Personnel do not have any existing engagements (engagements that a Key Personnel is involved with at the time that this Contract is awarded) in which they represent a client before the Internal Revenue Service or the Department of Treasury; and

(3) If either Key Personnel undertakes any new engagements (engagements that the Key Personnel in question is not involved with at the time this Contract is awarded) that, if continued, could create a conflict of interest that would disqualify the Key Personnel in question from being able to serve as a special government employee during the pendency of the case that is the subject of this

Contract, the Key Personnel in question will undertake the new engagement only if, prior to undertaking the new engagement, he (a) informs the Service of the potential conflict and (b) preserves his ability to withdraw from the new engagement so that, if requested to do so, he will be able to serve as a special government employee in support of the case that is the subject of this Contract. Furthermore, each Key Personnel represents that in the event he is asked to become a special government employee in support of the case that is the subject of this Contract, he will withdraw from any such new engagements in a timely manner to permit him to serve (or continue to serve) as a special government employee.

(4) If either Key Personnel possesses or acquires any financial or other interest that could create, under the federal ethics rules, a conflict of interest that would disqualify the Key Personnel in question from serving as a special government employee during the pendency of the case that is the subject of this Contract, the Key Personnel in question will take steps to resolve the conflict in the event he is asked to become a special government employee.

## **H.21 Section 7602C Third Party Contact Procedures**

Section 7602c of the Internal Revenue Code requires that contacts made with Third Parties during the investigation/audit of a Federal Tax Return must be reported to the taxpayer. The COTR will provide specific guidance to the Contractor regarding this legal requirement. Generally authorized contacts with employees of the taxpayer are not Third Party Contacts. Likewise, contacts with government agencies generally are not considered to be Third Party Contacts.

## **H.22 Security Escort Services**

IRM 1.23.2.2.6.1, for security reasons, requires that Contractors or their employees must be escorted by IRS employees when deemed appropriate in lieu of (a background) investigation. This requirement applies when the Contractor is on IRS premises or on taxpayer premises.

## **H.23 Advertising of Award/Publicity Releases**

During Contract performance and after Contract completion, the Contractor agrees not to refer to the Contract award in commercial advertisements or other public notifications in such a manner as to state or imply that the product or service is endorsed or preferred by the Government or is considered by the Government to be superior to other products or services. All publicity releases in connection with this Contract by the Contractor must have prior written approval from the IRS Public Affairs Officer through the IRS Contracting Officer who awarded the contract. Violation of this provision will be grounds, at the option of the Government, for termination of the Contract.

## **H.24 52.227-17 Rights in Data—Special Works (DECEMBER 2007)**

### **(a) Definitions. As used in this clause—**

“Data” means recorded information, regardless of form or the media on which it may be recorded. The term includes technical data and computer software. The term does not include information incidental to contract administration, such as financial, administrative, cost or pricing, or management information.

“Unlimited rights” means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

(b) Allocation of Rights.

(1) The Government shall have—

- (i) Unlimited rights in all data delivered under this contract, and in all data first produced in the performance of this contract, except as provided in paragraph (c) of this clause.
- (ii) The right to limit assertion of copyright in data first produced in the performance of this contract, and to obtain assignment of copyright in that data, in accordance with paragraph (c)(1) of this clause.

(iii) The right to limit the release and use of certain data in accordance with paragraph (d) of this clause.

(2) The Contractor shall have, to the extent permission is granted in accordance with paragraph (c)(1) of this clause, the right to assert claim to copyright subsisting in data first produced in the performance of this contract.

(c) Copyright—

(1) Data first produced in the performance of this contract.

(i) The Contractor shall not assert or authorize others to assert any claim to copyright subsisting in any data first produced in the performance of this contract without prior written permission of the Contracting Officer. When copyright is asserted, the Contractor shall affix the appropriate copyright notice of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship (including contract number) to the data when delivered to the Government, as well as when the data are published or deposited for registration as a published work in the U.S. Copyright Office. The Contractor grants the Government, and others acting on its behalf, a paid-up, nonexclusive, irrevocable, worldwide license for all delivered data to reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, by or on behalf of the Government.

(ii) If the Government desires to obtain copyright in data first produced in the performance of this contract and permission has not been granted as set forth in paragraph (c)(1)(i) of this clause, the Contracting Officer shall direct the Contractor to assign (with or without registration), or obtain the assignment of, the copyright to the Government or its designated assignee.

(2) Data not first produced in the performance of this contract. The Contractor shall not, without prior written permission of the Contracting Officer, incorporate in data delivered under this contract any data not first produced in the performance of this contract and that contain the copyright notice of 17 U.S.C. 401 or 402, unless the Contractor identifies such data and grants to the Government, or acquires on its behalf, a license of the same scope as set forth in paragraph (c)(1) of this clause.

(d) Release and use restrictions. Except as otherwise specifically provided for in this contract, the Contractor shall not use, release, reproduce, distribute, or publish any data first produced in the performance of this contract, nor authorize others to do so, without written permission of the Contracting Officer.

(e) Indemnity. The Contractor shall indemnify the Government and its officers, agents, and employees acting for the Government against any liability, including costs and expenses, incurred as the result of the violation of trade secrets, copyrights, or right of privacy or publicity, arising out of the creation, delivery, publication, or use of any data furnished under this contract; or any libelous or other unlawful matter contained in such data. The provisions of this paragraph do not

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apply unless the Government provides notice to the Contractor as soon as practicable of any claim or suit, affords the Contractor an opportunity under applicable laws, rules, or regulations to participate in the defense of the claim or suit, and obtains the Contractor's consent to the settlement of any claim or suit other than as required by final decree of a court of competent jurisdiction; and these provisions do not apply to material furnished to the Contractor by the Government and incorporated in data to which this clause applies.

(End of clause)

#### **H.25 Contractor obligation to perform all Contract Phases**

The phases of the Contract are interconnected and require seamless contractor performance through settlement and/or final disposition of the taxpayer case. Each phase forms the basis for the following phase and, therefore, failure to perform a phase of the Contract will reduce and/or eliminate the value of work performed in previous phases. As such, if the Contractor(s) are unable for any reason to perform all phases of the Contract, due to the Contractor's fault, before settlement and/or the final disposition of the taxpayer case, the Government will consider the contractor to be in breach of the Contract and will seek recovery of all monies paid to the contractor even for those services performed by the contractor as well as re-procurement costs to obtain other expert services in the matter.

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## SECTION I

### **I.1 52.252-2 Clauses Incorporated by Reference (FEBRUARY 1998)**

This Contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contacting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(es): <https://www.acquisition.gov/far>

#### **Federal Acquisition Regulations (48 CFR Chapter 1) Clauses Incorporated by Reference**

<b>FAR CLAUSE NO.</b>	<b>TITLE</b>	<b>DATE</b>
52.213-4	TERMS AND CONDITIONS--SIMPLIFIED ACQUISITIONS (OTHER THAN COMMERCIAL ITEMS) (Jan 2014)	Jan 2014
52.203-6	Restrictions on Subcontractor Sales to the Government	Sep 2006
52.203-7	Anti-Kickback Procedures	Oct 2010
52.203-8	Cancellation, Rescission, and Recovery of Funds for Illegal or Improper Activity	Jan 1997
52.203-10	Price or Fee Adjustment for Illegal or Improper Activity	Jan 1997
52.203-12	Limitation on Payments to Influence Certain Federal Transactions	Oct 2010
52.204-4	Printed or Copied Double-Sided on Recycled Paper	May 2011
52.204-7	System for Award Management	Jul 2013
52.204-9	Personal Identity Verification of Contractor Personnel	Jan 2011
52.209-5	Certification Regarding Responsibility Matters	Apr 2010
52.209-6	Protecting the Government's Interest When Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment	Aug 2013
52.215-2	Audit and Records—Negotiation	Oct 2010
52.223-5	Pollution Prevention and Right to Know Information	MAY 2011
52.223-6	Drug Free Workplace	MAY 2001
52.224-1	PRIVACY ACT NOTIFICATION (APR 1984)	APR 1984
52.224-2	PRIVACY ACT (APR 1984)	APR 1984
52.232-8	Discounts for Prompt Payment	Feb 2002
52.232-9	Limitation on Withholding of Payments	April 1984
52.232-17	Interest	Oct 2010
52.232-18	AVAILABILITY OF FUNDS (Apr 1984)	Apr 1984
52.232-25	Prompt Payment	Jul 2013
52.232-33	Payment by Electronic Funds Transfer-System for Award Management.	Jul 2013
52.233-1	Disputes	July 2002
52.233-4	Applicable Law for Breach of Contract Claim	Oct 2004
52.239-1	PRIVACY OR SECURITY SAFEGUARDS (AUG 1996)	AUG 1996
52.242-3	Penalties for Unallowable Costs	May 2001
52.242-13	Bankruptcy	July 1995

52.243-1	Changes—Fixed – Price	Aug 1987
52.245-1	Government Property	Apr 2012
52.246-25	Limitation of Liability—Services	Feb 1997
52.249-14	Excusable Delays	Apr 1984
52.253-1	Computer Generated Forms	Jan 1991

## I.2 52.232-1 PAYMENTS (APRIL 1984)

The Government shall pay the Contractor, upon the submission of proper invoices or vouchers, the prices stipulated in this contract for supplies delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified in this contract, payment shall be made on partial deliveries accepted by the Government if—

- (a) The amount due on the deliveries warrants it; or
- (b) The Contractor requests it and the amount due on the deliveries is at least \$1,000 or 50 percent of the total contract price.

(End of clause)

## I.3 52.232-22 LIMITATION OF FUNDS (APRIL 1984)

a) The parties estimate that performance of this contract will not cost the Government more than (1) the estimated cost specified in the Schedule or, (2) if this is a cost-sharing contract, the Government's share of the estimated cost specified in the Schedule. The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this contract within the estimated cost, which, if this is a cost-sharing contract, includes both the Government's and the Contractor's share of the cost.

(b) The Schedule specifies the amount presently available for payment by the Government and allotted to this contract, the items covered, the Government's share of the cost if this is a cost-sharing contract, and the period of performance it is estimated the allotted amount will cover. The parties contemplate that the Government will allot additional funds incrementally to the contract up to the full estimated cost to the Government specified in the Schedule, exclusive of any fee. The Contractor agrees to perform, or have performed, work on the contract up to the point at which the total amount paid and payable by the Government under the contract approximates but does not exceed the total amount actually allotted by the Government to the contract.

(c) The Contractor shall notify the Contracting Officer in writing whenever it has reason to believe that the costs it expects to incur under this contract in the next 60 days, when added to all costs previously incurred, will exceed 75 percent of (1) the total amount so far allotted to the contract by the Government or, (2) if this is a cost-sharing contract, the amount then allotted to the contract by the Government plus the Contractor's corresponding share. The notice shall state the estimated amount of additional funds required to continue performance for the period specified in the Schedule.

(d) Sixty days before the end of the period specified in the Schedule, the Contractor shall notify the Contracting Officer in writing of the estimated amount of additional funds, if any, required to continue timely performance under the contract or for any further period specified in the Schedule or otherwise agreed upon, and when the funds will be required.

(e) If, after notification, additional funds are not allotted by the end of the period specified in the Schedule or another agreed-upon date, upon the Contractor's written request the Contracting Officer will terminate this contract on that date in accordance with the provisions of the Termination clause of this contract. If the Contractor estimates that the funds available will allow it to continue to discharge its obligations beyond that date, it may specify a later date in its request, and the Contracting Officer may terminate this contract on that later date.

(f) Except as required by other provisions of this contract, specifically citing and stated to be an exception to this clause—

(1) The Government is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted by the Government to this contract; and

(2) The Contractor is not obligated to continue performance under this contract (including actions under the Termination clause of this contract) or otherwise incur costs in excess of—

(i) The amount then allotted to the contract by the Government or;

(ii) If this is a cost-sharing contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, until the Contracting Officer notifies the Contractor in writing that the amount allotted by the Government has been increased and specifies an increased amount, which shall then constitute the total amount allotted by the Government to this contract.

(g) The estimated cost shall be increased to the extent that (1) the amount allotted by the Government or, (2) if this is a cost-sharing contract, the amount then allotted by the Government to the contract plus the Contractor's corresponding share, exceeds the estimated cost specified in the Schedule. If this is a cost-sharing contract, the increase shall be allocated in accordance with the formula specified in the Schedule.

(h) No notice, communication, or representation in any form other than that specified in paragraph (f)(2) of this clause, or from any person other than the Contracting Officer, shall affect the amount allotted by the Government to this contract. In the absence of the specified notice, the Government is not obligated to reimburse the Contractor for any costs in excess of the total amount allotted by the Government to this contract, whether incurred during the course of the contract or as a result of termination.

(i) When and to the extent that the amount allotted by the Government to the contract is increased, any costs the Contractor incurs before the increase that are in excess of—

(1) The amount previously allotted by the Government or;

(2) If this is a cost-sharing contract, the amount previously allotted by the Government to the contract plus the Contractor's corresponding share, shall be allowable to the same extent as if incurred afterward, unless the Contracting Officer issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.

(j) Change orders shall not be considered an authorization to exceed the amount allotted by the Government specified in the Schedule, unless they contain a statement increasing the amount allotted.

(k) Nothing in this clause shall affect the right of the Government to terminate this contract. If this contract is terminated, the Government and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the contract, based upon the share of costs incurred by each.

(l) If the Government does not allot sufficient funds to allow completion of the work, the Contractor is entitled to a percentage of the fee specified in the Schedule equaling the percentage of completion of the work contemplated by this contract.

(End of clause)

**I.4 52.232-99, Providing Accelerated Payment to Small Business Subcontractors  
(DEVIATION)** (AUG 2012)

The contracting officer shall insert the following clause in all solicitations and resultant This clause implements the temporary policy provided by OMB Policy Memorandum M-12-16, Providing Prompt Payment to Small Business Subcontractors, dated July 11, 2012.

- a. Upon receipt of accelerated payments from the Government, the contractor is required to make accelerated payments to small business subcontractors to the maximum extent practicable after receipt of a proper invoice and all proper documentation from the small business subcontractor.
- b. Include the substance of this clause, including this paragraph (b), in all subcontracts with small business concerns.
- c. The acceleration of payments under this clause does not provide any new rights under the Prompt Payment Act.

**I.5 IR1052.204-9003 – IRS Security Awareness Training Requirements**

Include the following clause in solicitations, contracts, task/delivery/purchase orders, interagency agreements, and BPAs that require contractors and contractor employees to have staff-like access to IRS SBU information (electronic or paper-based) or information systems at an IRS facility or a contractor-owned/managed facility.

**IRS SECURITY AWARENESS TRAINING REQUIREMENTS (AUG 2010)**

(a) The Federal Information Security Management Act of 2002 (FISMA) requires each federal agency to provide periodic information security awareness training to all employees, including contractors, involved in the management, use, or operation of Federal information and information systems. In addition, IRS contractors and their employees are subject to the Taxpayer Browsing Protection Act of 1997, which prohibits willful unauthorized inspection of returns and return information. Violation of the Act could result in civil and criminal penalties.

(b) Contractors and their employees who require staff-like access to IRS information or information systems at an IRS facility or a contractor-owned/managed facility shall complete IRS security awareness training annually, as specified in the contract.<sup>1</sup>

*NOTE: "IRS information" means Sensitive But Unclassified (SBU) information, as defined in Internal Revenue Manual 10.8.1 – Policy and Guidance. SBU may be categorized in one or more of the following groups—*

- Returns and Return Information
- Sensitive Law Enforcement Information

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- Employee Information
- Personally Identifiable Information
- Other Protected Information

(c) The contractor shall ensure all contractor employees who require staff-like access to IRS owned or controlled facilities, or IRS information or information systems, regardless of their physical location, complete one or more Information Protection briefings on computer security, disclosure, privacy, physical security, and/or UNAX, as specified by CSLP. Individually and collectively, these briefings make up the IRS Security Awareness Training (SAT) requirements for the Service's information assets.

Personnel required to complete SAT include, but are not necessarily limited to, contractor employees involved in any of the following activities:

- Manage, program or maintain IRS information in a production environment;
- Operate an information system on behalf of the IRS;
- Conduct testing or development of information or information systems on behalf of the IRS; or
- Provide advisory and assistance (consulting) services, or administrative support.

Unless otherwise provided under the terms of the immediate contract/order, contractor employees in the following service categories with facilities access only who do not have access to IRS workspace, or who work in buildings where a clean desk policy is in place for all IRS employees, are not required to complete SAT—with the exception of Physical Security Training.:.

- Medical;
- Cafeteria;
- Landscaping;
- Janitorial and cleaning (daylight operations);
- Building maintenance; or
- Other maintenance and repair.

(d) All new contractor employees shall receive a system security orientation within the first ten (10) business days following initial assignment to any IRS contract/order, and IT security awareness training (commensurate with the individual's duties and responsibilities) within five (5) business days of being granted access to an IRS IT system.

(e) For each contractor employee assigned to this contract/order, the contractor shall submit confirmation of completed SAT (using the form at the Mandatory Briefing web site or upon email request to CSLP at CSLP@irs.gov), via email, to the Contracting Officer's Technical Representative (COTR) and the Contractor Security Lifecycle Program (CSLP) upon completion, but not later than ten (10) business days of starting work on this contract/task order.

(f) Thereafter, each contractor employee assigned to this contract/order shall complete SAT annually not later than April 30th of each year in which there

P&P No. 39.1(C) Attachment 3 Page 3 of 3 is an ongoing period of performance (in either the base period or any exercised option period). The contractor shall submit confirmation of completed annual SAT on all contractor employees assigned to this contract/order, via email, to the CO, COTR, and the Contractor Security Lifecycle Program (CSLP) upon completion, or not later than May 12th of the then current calendar year or as requested by CSLP (whichever date is earlier).

(g) Contractors shall verify in writing within 30 days of award, and by May 12, of each year thereafter or as requested by CSLP (whichever date is earlier), that all of their affected employees have successfully completed the specified training. Verification reports shall be signed by an official with the authority to legally bind the Contractor.

(h) SAT is available on the Mandatory Briefing web site or if this site is not accessible, SAT materials will be made available by CSLP upon request via email to CSLP@irs.gov).

(i) Contractor employees who fail to comply with IRS security policy (to include completion and certification of SAT requirements within the timeframe specified) may be subject to having their access to IRS IT systems and facilities suspended, revoked or terminated (temporarily or permanently).

[End of clause]

*Alternate 1 (AUG 2010)*

Substitute the following paragraph (g) for paragraphs (g) of the basic clause when an existing contract, task/delivery/purchase order, interagency agreement, or BPA is being modified.

(g) Contractors shall verify in writing within 30 days of contract modification, and by May 12, of each year thereafter, that all of their affected employees have successfully completed the specified SAT. Verification reports shall be signed by an official with the authority to legally bind the Contractor.

## **I.6. IR1052.204-9005 Submission of Security Forms and Related Materials (JUN 2013)**

As described in Department of the Treasury Security Manual (TD P 15-71), Chapter I, Section 1, Position Sensitivity and Risk Designation, Contractor personnel assigned to perform work under an IRS contract/order must undergo security investigative processing appropriate to the position sensitivity and risk level designation associated to determine whether the Contractor personnel should be permitted to work in the identified position. For security requirements at contractor facilities using contractor managed resources, please reference Publication 4812, Contractor Security Controls.

a. Contractor personnel performing under an agreement that authorizes unescorted access to and in IRS facilities, and access to Sensitive But Unclassified (SBU) information or information systems are subject to (and must receive a favorable adjudication or affirmative results with respect to) the following eligibility/suitability pre-screening criteria, as applicable:

- (1) IRS account history for tax compliance;
- (2) Selective Service registration compliance;
- (3) U.S. citizenship/residency compliance;

- (4) Background investigation forms;
- (5) Credit report results (moderate and high risk investigations only);
- (6) Federal Bureau of Investigation fingerprint results; and
- (7) If applicable, prior background investigations.

In this regard, Contractor shall furnish the following electronic documents to the Contractor Security Management (CSM) at CSM@irs.gov or CSLP@irs.gov within 10 business days of assigning (or reassigning) an employee to this contract/order and *prior* to the contract employee performing any work thereunder:

- The IRS provided Risk Assessment Checklist (RAC), and
- All required security forms (for new contractor employees), are available through the publicly accessible website for IRS Procurement.

b. Tax Compliance, Credit Checks and Fingerprinting:

- (1) Contractor personnel whose contract/order exceeds 180 days must be eligible for access, per certification of tax compliance, and shall undergo, at a minimum a National Agency Check and Inquiries as a condition of work under the contract/order, to include a credit check and fingerprinting.
- (2) If the duration of employment is less than 180 days or access is infrequent (e.g., 2-3 days per month) and the contractor requires unescorted access, the contractor employee must be eligible for access, per certification of tax compliance, and require at a minimum a fingerprint check (Special Agreement Check).
- (3) With the exception of contractors who need access to IT systems, no background investigation or tax check is necessary if the duration of employment is less than 180 days or access is infrequent when there is escort provided by an IRS employee or an approved contractor employee at the same or higher position risk level.

The contractor employee will be permitted to perform under the contract and have access to IRS facilities only upon notice of an interim or final approval, as defined in Internal Revenue Manual (IRM) 10.23.2 – Contractor Investigations, and is otherwise consistent with IRS security practices and related IRMs, to include, but not limited to, IRM 1.4.6 – Managers Security Handbook, IRM 10.2.14 – Methods of Providing Protection, and IRM 10.8.1 - Policy and Guidance. As prescribed in IRM 10.23.2, escorting in lieu of staff-like access for IT systems will not be allowed.

[End of clause]

**I.7 IR1052.204.9006 – Notification of Change in Contractor Employee Employment Status, Assignment, or Standing**

Include the following clause in all new solicitations, contracts, interagency agreements, task/delivery/purchase orders, and BPAs, including simplified acquisitions, and existing contracts and orders as prescribed in P&P No. 39.1(C) – Managing Contractor Access to IRS Owned or Controlled Facilities, Information Systems, or Sensitive But Unclassified (SBU) Information

**NOTIFICATION OF CHANGE IN CONTRACTOR EMPLOYEE  
EMPLOYMENT STATUS, ASSIGNMENT, OR STANDING (AUG 2010)**

(a) The contractor shall notify the Contracting Officer's Technical Representative (COTR) and the Contractor Security Lifecycle Program (CSLP), via email, within one (1) business day of the contractor becoming aware of any change in the employment status, assignment, or standing of a contractor employee to this contract/order –to include, but not limited to, the following conditions:

- Receipt of the employee's notice of intent to separate from employment or discontinue work under this IRS contract/task order;
- Knowledge of the employee's voluntary separation from employment or performance on this contract/task order (if no prior notice was given);
- Transfer or reassignment of the employee and performance of duties under this contract/task order, in whole or in part, to another IRS contract/task order (*and identify the gaining contract and representative duties/responsibilities to allow for an assessment of suitability based on position sensitivity/risk level designation*);
- Separation, furlough or release from employment;
- Anticipated extended absence of more than 45 days;
- Change of legal name;
- Change to citizenship or lawful permanent resident status, or employment eligibility;
- Change in gender or other distinction when physical attributes figure prominently in the biography of an individual;
- Actual or perceived conflict of interest in continued performance under this contract/task order (*provide explanation*);
- Death.

(b) The notice shall include the following minimum information:

- Name of contractor employee
- Nature of the change in status, assignment or standing (i.e., provide a brief non-personal, broad-based explanation)
- Affected contract/task order number(s)
- Actual or anticipated date of departure or separation
- When applicable, the name of the IRS facility(s) this individual routinely works from or has access to when performing work under this contract/order
- Identification of any Government Furnished Property (GFP), Government Furnished Equipment (GFE), or Government Furnished Information (GFI) (to include Personal Identity Verification (PIV) credentials or badges) provided to the contractor employee and its whereabouts or status.

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(c) In the event the subject contractor employee is working on multiple contracts/orders, notification shall be combined, and the cognizant COTR for each affected contract/order shall be included in the joint notification along with the CSLP.

(d) As a general rule, the change in the employment status, assignment, or standing of a contractor employee to this contract/order would not form the basis for an excusable delay for failure to perform this contract under its terms.

[End of clause]

#### **I.8 IR1052.239-9007 – Access, Use or Operation of IRS Information Technology (IT) Systems by Contractors**

As prescribed in 1039.9201, include the following clause in all solicitations, contracts, interagency agreements, task/delivery/purchase orders, and BPAs, including simplified acquisitions, when contractor employees will access, use or operate IRS information technology systems, equipment or resources.

#### **ACCESS, USE OR OPERATION OF IRS INFORMATION TECHNOLOGY (IT) SYSTEMS BY CONTRACTORS (AUG 2010)**

In performance of this contract, the contractor agrees to comply with the following requirements and assumes responsibility for compliance by his/her employees:

##### **1. IRS Information Technology Security Policy and Guidance.**

All current and new IRS contractor employees authorized staff-like (unescorted) access to Treasury/IRS owned or controlled facilities and information systems, or work, wherever located, on those contracts which involve the design, operation, repair or maintenance of information systems and access to sensitive but unclassified information shall comply with the IRS Information Technology Security Policy and Guidance, Internal Revenue Manual (IRM) 10.8.1. A copy of IRM 10.8.1 may be requested from the Contracting Officer or Contracting Officer's Technical Representative (COTR) or obtained from the publicly available portions of the IRM at <http://www.irs.gov/irm/> .

##### **2. Access Request and Authorization.**

Within (10) business days after contract award, issuance of a task order or other award notice, or acceptance of new or substitute contractor employees by the COTR, the contractor shall provide the COTR and the Contractor Security Lifecycle Program, (CSLP) a list of names of all applicable contractor employees and the IRS location(s) identified in the contract for which access is requested. A security screening, if determined appropriate by the IRS and in accordance with IRM 10.23.2, Contractor Investigations, and Department of the Treasury Security Manual (TD P) 15-71, Chapter II, Section 2, will be conducted by the IRS for each contractor employee requiring access to IRS' IT systems, or as otherwise deemed appropriate by the COTR. The Government

reserves the right to determine the fitness or suitability of a contractor employee to receive or be assigned staff-like access under a contract, and whether the employee shall be permitted to perform or continue performance under the contract. Security screenings of contractor employees which reveal the following may be grounds for declining staff-like access under a contract: conviction of a felony, a crime of violence or a serious misdemeanor, a record of arrests for continuing offenses, or failure to file or pay Federal income tax. (Note: This is not an inclusive list.) Upon notification from Personnel Security of an acceptable (favorably adjudicated) contractor employee security screening, the COTR will complete an Online 5081 (OL5081), Automated Information System (AIS) User Registration/Change Request, for each prime or subcontractor employee and require an electronic signature from each employee indicating the contractor employee has read and fully understands the security requirements governing access to the Service's IT systems. IRS approval of the OL5081 is required before a contractor employee is granted access to, use or operation of IRS IT systems. IRM 10.8.1 includes more detailed information on the OL 5081.

### 3. Contractor Acknowledgement.

The contractor also acknowledges and agrees that he or she understands that all contract employees must comply with all laws, IRS system security rules, IRS security policies, standards, and procedures. The contractor also acknowledges that a contract employee's unsanctioned, negligent, or willful violation of the laws, IRS system security rules, IRS security policies, standards, and procedures may result in the revocation of access to IRS information technology systems, immediate removal from IRS premises and the contract, and for violations of Federal statute or state laws, the contract employee may be subject to arrest by Federal law enforcement agents.

### 4. Limited Personal Use of Government IT Resources.

- A. Contractors, like employees, have no inherent right to use Government IT resources, and this policy does not create the right to use Government IT resources for nongovernmental purposes. However, as a courtesy, the privileges (and restrictions) established by IRM 10.8.27, IRS Policy On Limited Personal Use of Government Information Technology Resources for employees, are extended to contractors.
- B. Contractors, like employees, have the privilege to use Government IT resources for nongovernmental purposes when such use:
  - involves minimal additional expense to the Government;
  - occurs during non-work hours for reasonable duration and frequency;
  - does not violate the Codes of Ethical Conduct;
  - does not overburden any of the IRS' IT resources;
  - does not adversely affect the performance of official duties;
  - does not interfere with the mission or operations of the IRS; and
  - complies with existing Federal Government, Department of the Treasury, and IRS policies for, but not limited to— ethics, security, disclosure, and privacy.
- C. Contractors, like employees, are specifically prohibited from inappropriate Internet usage such as participation in: gambling, pornography, personal communication on social

networking sites, peer-to-peer (P2P) file sharing, downloading unauthorized programs or software, and other activities that open IRS information or information systems to security risks. Specific examples are referenced in IRM 10.8.27, Exhibit 10.8.27-1, Prohibited Uses of Government IT Resources.

- D. Contractors, like employees, are specifically prohibited from the pursuit of private commercial business activities or profit-making ventures using the Government's IT resources. The ban also includes the use of the Government's IT resources to assist relatives, friends, or other persons in such activities.
- E. Contractors, like employees, are specifically prohibited from engaging in any political fundraising activity, endorsing any product or service, participating in any lobbying activity, or engaging in any prohibited partisan political activity, in accordance with, Title 5 - Code of Federal Regulations (CFR) - Part 735, Office of Personnel Management, Employee Responsibilities and Conduct.
- F. Contractors, like employees, should have no expectation of privacy, while using any Government IT resources at any time, including (but not limited to) accessing the Internet or using e-mail.

Any unauthorized use may be reported to the Contracting Officer's Technical Representative (COTR), the Contracting Officer, and the Computer Security Incident Response Center (CSIRC) (for subsequent referral to the Department of Treasury Inspector General for Tax Administration (TIGTA) and/or the Personnel Security, Centralized Adjudication Group (CAG), as appropriate).

#### 5. Replacement Personnel.

The contractor acknowledges that in the event of an alleged violation of the policies and rules on access, use or operation of IRS' IT resources, the IRS, at its discretion, may immediately withdraw access privileges of the contractor employee alleged to have violated said policies and rules, and request suspension of that employee from performance under this or any IRS contract pending the conclusion of its investigation of the matter. At the conclusion of the its investigation, if the IRS determines that extended or permanent revocation of access to IRS' IT resources computer systems and/or facilities, or other disciplinary action is warranted or in its best interest, the contractor agrees to remove the contractor employee that was the subject of the investigation within one day of official notification by the IRS of its access eligibility determination, and provide a replacement within five days. Replacement personnel must be acceptable to the IRS. The proposed replacement personnel must have a substantive amount of experience in the job position in which they will be performing; including equal or greater qualifications as the individual being replaced. In evaluating proposed replacement personnel, the IRS reserves the right to make an assessment on the technical and/or professional qualifications of the proposed substituting individual(s). The Contracting Officer (on the advice and recommendation of the COTR) has the right to disallow the proposed substituting individual(s) from performing under the subject contract, when the technical and/or professional qualifications of the proposed replacement personnel are determined (1) not to be substantially equivalent to the technical and/or professional qualifications of the personnel they are to replace, or (2) not sufficient to reasonably insure successful performance, or (3) otherwise endanger contract performance, progression, or completion. New hires or replacement personnel

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are subject to and must receive an acceptable (favorably adjudicated) contractor employee security screening conducted by Personnel Security.

6. Monitoring Notification.

IRS management retains the right to monitor both the content and the level of access of contractor employees' use of IRS IT systems. Contractor employees do not have a right, nor should they have an expectation, of privacy while using any IRS information technology system at any time, including accessing the Internet or using e-mail. Data maintained on government office equipment may be subject to discovery and Freedom of Information Act requests. By using government information technology systems, consent to monitoring and recording is implied with or without cause, including (but not limited to) accessing the Internet or using e-mail or the telephone. Any use of government information technology systems is made with the understanding that such use is generally not secure, is not private and is not anonymous.

7. Subcontracts.

The Contractor shall incorporate this clause in all subcontracts, subcontract task or delivery orders or other subcontract performance instrument where the subcontractor employees will require access, use or operation of IRS information technology systems. [End of clause]

## Section J – List of Attachments

### Exhibit 1 Surveillance Activity Checklists

“Checklists” may be used to document expert performance. An example of a “Surveillance Activity Checklist” is provided below:

<b>SURVEILLANCE ACTIVITY CHECKLIST</b>	
<b>RTS Requisition Number</b>	<b>Award Number (PIIN)</b>
<b>COR/Evaluator of Performance</b>	
<b>Contract Task or Deliverable</b>	
<b>Contract Section</b>	
<b>Performance Standard</b>	
<b>Acceptable Quality Level</b>	
<b>Method of Surveillance</b>	
<b>Date Accomplished</b>	
<b>Compliance</b>	<input type="checkbox"/> Exceeded <input type="checkbox"/> Met <input type="checkbox"/> Partially Met <input type="checkbox"/> Failed To Meet
<b>Comments/Remarks</b>	

**Exhibit 2 Decision Table**

Performance evaluators may find the use of a “decision table” helpful in documenting symptoms and in identifying possible sources of performance problems as well as assisting in the determination of contributing factors. Use of a “decision table” is optional. An example is provided below:

<b>DECISION TABLE</b>	
<b>Deficiency</b>	
<b>Probable Cause Factors/Impacting Conditions</b>	
<b>Likely Source of Probable Cause Factors/Impacting Conditions</b>	
<b>Recommended Contract Administrative Actions</b>	
<b>Suggested Review Procedures and/or Preventive Measures</b>	

**Exhibit 3 Performance Requirements Summary Table**

<b>PERFORMANCE REQUIREMENT:</b> <b>Phase 1 – Initial Evaluation (Fixed-Price)</b>			
<b>REQUIRED SERVICE</b>	<b>STANDARD</b>	<b>METHOD OF INSPECTION</b>	<b>WEIGHT</b>
Preliminary Meeting	Paragraph C.3.1.2	100 Percent and Customer Complaint	5% of Phase 1
Additional Meetings or Calls with Service	Paragraph C.3.1.2	100 Percent and Customer Complaint	5% of Phase 1
Detailed Briefing	Paragraph C.3.1.2	100 Percent and Customer Complaint	40% of Phase 1
Additional Contractor services to support case	Paragraph C.3.1.2	100 Percent and Customer Complaint	45% of Phase 1
Monthly Status Report	Paragraph C.4	100 Percent	5% of Phase 1

# **EXHIBIT B**

BAKER & MCKENZIE

Baker & McKenzie LLP

452 Fifth Avenue  
New York, NY 10018  
United States

Tel: +1 212 626 4100  
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[www.bakermckenzie.com](http://www.bakermckenzie.com)

**Asia Pacific**

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Brisbane  
Hanoi  
Ho Chi Minh City  
Hong Kong  
Jakarta\*\*  
Kuala Lumpur\*\*  
Manila\*\*  
Melbourne  
Seoul  
Shanghai  
Singapore  
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Tokyo  
Yangon

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Berlin  
Brussels  
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Doha  
Dubai  
Dusseldorf  
Frankfurt/Main  
Geneva  
Istanbul  
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Porto Alegre\*\*  
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Santiago  
Sao Paulo\*\*  
Tijuana  
Valencia

**North America**

Chicago  
Dallas  
Houston  
Miami  
New York  
Palo Alto  
San Francisco  
Toronto  
Washington, DC

\* Associated Firm

\*\* In cooperation with  
Trench Rossi e Watanabe  
Advogados

September 22, 2014

**IRS FOIA Request**  
**HQ FOIA**  
**Stop 211**  
**2385 Chamblee Tucker Road**  
**Chamblee, GA 30341**

**IRS FOIA Request**  
**Disclosure Scanning Operations - Stop 93A**  
**PO Box 621506**  
**Atlanta, GA 30362-3006**

**Microsoft Corporation and Subsidiaries**  
**E.I.N. 91-1144442**  
**Freedom of Information Act Request**

Dear Sir or Madam:

In accordance with the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, as amended, I request access to, and copies of, the following documents arising from the Internal Revenue Service's ("IRS") engagement of and contracting with the law firm Quinn Emanuel Urquhart & Sullivan, LLP ("Quinn Emanuel"), its partners, and/or its employees to provide services in connection with the IRS examination of Microsoft Corporation and Subsidiaries ("Microsoft") for Microsoft's tax years ended June 30, 2004 through June 30, 2009:

1. All documents representing proposals for services to be rendered by Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for Microsoft's tax years ended June 30, 2004 through June 30, 2009.
2. All documents representing agreements (and modifications to agreements, if any) for the performance of services to be rendered by Quinn Emanuel, its partners, and/or its employees in connection with the IRS examination of Microsoft for Microsoft's tax years ended June 30, 2004 through June 30, 2009. This request includes, but is not limited to, the complete contract between Quinn Emanuel and the IRS,

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which [www.usaspending.gov](http://www.usaspending.gov) identifies as contract number TIRNE-14-C-00013, entered into on May 19, 2014, with an obligation amount of \$2,185,500.<sup>1</sup>

This request singularly seeks access to responsive documents contained in the files of the IRS. This request does not seek access to, or copies of, any documents contained in the files of, or maintained by, Quinn Emanuel, its partners, and/or its employees. I may seek access to these files in separate FOIA requests.

For purposes of this request, "document" is used expansively and includes, by way of illustration and without limitation, all agreements, contracts, communications, letters, purchase orders, e-mail and attachments, telecopies, telexes, or any information stored upon optical disk, magnetic media, microfilm or microfiche, solid-state drive, or computer memory storage device.

If it is determined that any requested document, or any portion thereof, will not be disclosed, please provide me with the non-exempt documents and with the non-exempt portions of the remaining documents. In the event that an exemption is claimed, please provide me with all segregable non-exempt portions of any withheld document pursuant to 5 U.S.C. § 552(b). Should any material be redacted, please "black out" rather than "white out" or "cut out" any portion for which an exemption is claimed.

If document(s) responsive to this request have been destroyed, please identify the document(s) destroyed, the date of destruction, and the person or persons who destroyed the document(s).

Pursuant to 5 U.S.C. § 552(a)(6)(A)(i) and (b), please provide me with an index that specifies which exemption(s), if any, is (are) being claimed for each portion of each document withheld. Please provide a complete description of each portion of each document withheld, including the author(s) and any recipients, the date of its creation, its subject matter, and its current physical location. In addition, please provide the reason that each portion of each withheld document falls within the exemption claimed for it. Please also specify the number of pages of each withheld document or portion thereof and the total number of pages that are responsive to this request. Such an index is required to allow me to evaluate any IRS claims that documents or portions thereof are exempt from disclosure. See Vaughn v. Rosen, 484 F.2d 820 (D.C. Cir. 1973), cert. denied, 415 U.S. 977 (1974); see also Church of Scientology v. IRS, 792 F.2d 146 (D.C. Cir. 1986); Osborne v. IRS, 754 F.2d 195 (6th Cir. 1985); White v. IRS, 707 F.2d 897 (6th

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<sup>1</sup> On September 10, 2014, a copy of what purports to be a excised portion of TIRNE-14-C-00013 was produced by the IRS to Microsoft in connection with the IRS examination of Microsoft for Microsoft's tax years ended June 30, 2004 through June 30, 2006. See Exhibit A (attached).

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Cir. 1983) (quoting Church of Scientology v. Bell, 603 F.2d 945 (D.C. Cir. 1979)); Brooks v. IRS, 80 AFTR 2d 97-6370 (E.D. Cal. 1997) (citing Weiner v. FBI, 943 F.2d 972 (9th Cir. 1991)).

In accordance with 26 C.F.R. §§ 601.702(c)(4)(i)(H) and 601.702(f), I agree to pay reasonable charges incurred to search for and duplicate the requested documents. Once the materials have been assembled, please advise the undersigned of the projected copying charges.

In accordance with 26 C.F.R. §§ 601.702(c)(4)(i)(E) and 601.702(c)(5)(iii)(C), I establish my identity and right to access the requested documents by the Power of Attorney and Declaration of Representative on Forms 2848 executed by Microsoft, attached as Exhibits B and C. A copy of my State of New York driver's license is attached for photo identification as Exhibit D. Microsoft authorizes you to send the above requested documents to and/or communicate with counsel below regarding this request:

Daniel A. Rosen  
Baker & McKenzie LLP  
452 Fifth Avenue  
New York, New York 10018  
(212) 626-4272

In accordance with 26 C.F.R. § 601.702(f)(3), Microsoft is a "commercial requester" as defined in 26 C.F.R. § 601.702(f)(3)(ii)(A). As set forth in 5 U.S.C. § 552(a)(6)(A)(i), 31 C.F.R. § 1.5(h), and 26 C.F.R. § 601.702(c)(9)(ii), we would appreciate a response to this request within twenty (20) working days of its receipt.

We understand and appreciate that you will exercise a presumption in favor of disclosure, and that you are committed to accountability and transparency in connection with this request. See Memorandum from President Barack Obama, Memorandum for the Heads of Executive Agencies, 74 Fed. Reg. 4,683 (Jan. 26, 2009); Eric Holder, Memorandum for Heads of Executive Departments and Agencies (Mar. 19, 2009) (stating that an agency "should not withhold information simply because it may do so legally. I strongly encourage agencies to make discretionary disclosures of information. An agency should not withhold records merely because it can demonstrate, as a technical matter, that the records fall within the scope of a FOIA exemption.").

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Please send the requested documents to the address set forth above. If you have any questions concerning this request or require further information, please contact me at (212) 626-4272.

Thank you in advance for your attention to this matter.

Sincerely,



Daniel A. Rosen

Attachments: Exhibits A through D

cc: Eli Hoory, Esq.  
Paul Weibel

## SECTION C

### PERFORMANCE WORK STATEMENT

#### INTRODUCTION/ BACKGROUND

The Internal Revenue Service (the “IRS” or the “Service”) requires the services of a contractor who is an expert in commercial litigation (the “Contractor”) to assist with the evaluation, analysis, presentation and defense of claims or adjustments related to the issues under examination. The services to be rendered under this Contract include but are not limited to investigation, document review, and research so as to be able to consult with the Service and/or advise the Service. The subject matter of the services required to be rendered under this Contract include but are not limited to transfer pricing issues relating to the license of intangible property rights in association with a cost sharing arrangement and related transactions.

The Contractor is a law firm and the Key Personnel (including “Contractor 1” and “Contractor 2,” collectively the “Key Personnel”) are highly skilled commercial litigation attorneys with extensive complex litigation experience evaluating, preparing and presenting cases dealing with multifaceted facts, complex economics and multiple legal issues. The Key Personnel will perform the work describe below and will oversee and direct any other personnel of the Contractor who work on this project. The Key Personnel will verbally report facts, conclusions and recommendations to the Service, and, if desired by the Service, the Key Personnel will prepare written reports and cause such reports to be sent or delivered to the Service. If desired by the Service, the Contractor agrees that the Key Personnel will assist in preparing for and attend meetings, presentations and interviews.

The Service is analyzing a set of intercompany transactions (the “Transactions”) between the taxpayer and its U.S. affiliates (together, the “Taxpayer”) and Taxpayer’s foreign affiliate. As part of the Transactions, the Taxpayer and its foreign affiliate did the following: (1) effective July 2005, the Taxpayer licensed to its foreign affiliate rights to ‘technology intangibles’ embodied in certain software products sold by the Taxpayer to third-parties in the Americas geographic region; (2) the foreign affiliate made a buy-in payment (the “Buy-In Payment”) to compensate the Taxpayer for the value of the rights that it received and assumed responsibility for funding future research and development associated with the technology intangibles; and (3) the Taxpayer and the affiliate established a transfer price (the “Transfer Price”) to determine how to share revenues that are collected, after licensing of the technology intangibles to the foreign affiliate, on future sales of the software products in question to third-parties.

The Service is considering whether the Buy-In Payment and Transfer Price amounts determined by the Taxpayer reliably and accurately determine the arm’s length transfer prices between the related entities. Together, the Buy-In and the Transfer Price issues impact two currently open examination periods, the first examination period for Taxpayer’s fiscal years ended June 30, 2004 through June 30, 2006 and the second for Taxpayer’s fiscal years ended June 30, 2007 through June 30, 2009. To the extent the Taxpayer continues to apply the Transfer Price proposed after fiscal year ended June 30, 2009, the issue may have continuing relevance, as well.

In addition to the Transactions, the Service is also analyzing other intercompany transactions by the Taxpayer that may raise similar transfer pricing issues or share overlapping facts.

## SCOPE

The Contractor shall provide all management, supervision, labor, materials, supplies, and equipment (unless otherwise stated), and shall plan, schedule, coordinate, and assure effective performance of all services described herein.

The Contractor shall provide the services and deliver the outcomes described in Phase 1. Phase 1 will commence upon award of the Contract or as required by the Government based on its schedule.

This Phase for Evaluation & Case Support is non-severable and will not exceed the period during which fiscal year funds applied to this contract are available.

The Contractor is required to furnish all labor and materials associated with the requirements of the contract except where otherwise specified.

The Contractor shall be expected to perform travel as necessary to meet the requirements of the contract. Authorized travel and related expenses shall be reimbursed to the Contractor/Expert subject to the contract terms outlined herein.

The Contractor/Expert shall obtain written permission from the COR prior to making any “Third Party” investigative contacts. The Contractor/Expert shall provide the COR with details regarding “Third Party” contacts. The details of the “Third Party” contact shall be provided to the COR in writing within ten working days after the contact. The COR shall provide guidance as to what information is required to be reported regarding “Third Party” contacts by the Contractor/Expert.

The Contractor/Expert shall strictly protect the taxpayer’s rights to privacy by adhering to Federal “Privacy” and “Non-Disclosure” of taxpayer information regulations and requirements outlined herein.

## I. PERFORMANCE REQUIREMENTS

The Contractor is expected to perform according to the terms of this Contract, even if the time frames are delayed. The Contract is subject to termination and/or Contract payment deduction, if the performance standards are not met.

In the event the Contractor is not needed at any point, the Service will terminate services in accordance with Contract terms and payment will be made for that portion of work performed.

The Contractor is expected to perform according to the terms of this Contract, even if the time frames are delayed. The Contract is subject to termination and/or Contract payment deduction, if the performance standards are not met.

Contract performance requirements are identified in Phase 1 and under the Monthly Status Report Section below.

### **Phase 1 – Evaluation & Case Support**

#### **Required Service(s)**

For ease of reference, the required services in this phase are described in two categories: (A) “Evaluation” services and (B) “Case Support” services. In practice, the Evaluation and the Case Support services described below may overlap (e.g., distinct Evaluation and Case Support services may be performed in parallel/contemporaneously or the same service may simultaneously support both service categories).

**Phase 1 Category A Services: Evaluation:** The Contractor will review all of the key documents (including reports, position papers, IDR responses, etc., prepared by or on behalf of the Taxpayer or the Service) and all relevant legal authorities to build a thorough understanding of the factual and legal issues and the record to date. This will entail independent research, as appropriate, and attending meetings as requested by the POC or the COR. After completing a thorough review of the record at the time of contract award, the Key Personnel will deliver to the Service an in-person detailed briefing assessing the case based on the existing record and will give their recommendations.

It is anticipated that this phase will consist of but not be limited to the following steps:

**Step 1:** The Contractor shall have a preliminary meeting with the Service to obtain a clear understanding of the scope of the Contract requirements. The meeting will be held in person or by teleconference and is anticipated not to exceed one full day. Records identified by the Service as central to the assessment of the Transactions will be made available to the Contractor.

**Step 2:** Review initial package of documentation and request additional documentation. The Contractor will review an initial package of documentation provided by the Service. The Contractor will inform the POC if there are additional materials that the Contractor believes would be helpful and would like to review before completing the preliminary analyses described above and, if available, the Service will attempt to secure the requested records. However, it is possible that some of the additional materials requested, if any, may not exist or otherwise be unobtainable.

**Step 3:** As appropriate, subsequent ad hoc meetings or telephone calls will be scheduled and held with the Contractor to facilitate the assessment of the Transactions and to plan and begin executing follow-up steps that are appropriate to accomplish the goals of this phase. Travel may be required.

**Step 4:** The Key Personnel will present to the Service a detailed in-person verbal detailed briefing of the Key Personnel’s findings, assessment, and recommendations with respect to the factual and legal state of the case, identifying strengths, weakness, and areas for further development. The Service may require the Key Personnel to travel. If requested by the Service, the Key Personnel may need to repeat the briefing or parts of the briefing via conference calls or via in-person meetings to other Service stakeholders.

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**Phase 1 Category (B) Services: Case Support:** The Contractor will support continued development, analysis, evaluation, and preparation of the issues under examination. The Contractor will assist the Service in preparing, organizing and presenting the factual record and legal analysis of the case. The Contractor will work collaboratively with the Service to support the examination. Contractor's assistance may include but not be limited to consulting on the analysis and theory of the case; identifying additional information deemed necessary to develop clearly defensible positions, including any necessary data, documents, or interviews; assisting with further factual development through document review, identifying and preparing new document requests, preparing for or participating in interviews; performing independent research; consulting on position papers/reports prepared by or on the behalf of the Service or the Taxpayer; preparing, consulting on or assisting with presentations; and reviewing and providing analysis and critique of Taxpayer's supplemental positions or responses, if any. Travel may be required.

For both Category (A) and (B) services, the Contractor agrees to verbally report conclusions and findings to the Service. After discussion with the Service, if desired by the Service, the Contractor will prepare a written summary or report on identified sub-issues and cause it to be presented or delivered to the Service

**Performance Standards:**

- Demonstrate effective verbal communication and interpersonal team skills.
- Perform independent research and analysis of all relevant legal authorities, demonstrating an in-depth understanding of all legal aspects of the case.
- Develop and demonstrate an in-depth and thorough understanding of the facts and economics of the Transactions and relevant aspects of the Taxpayer's business.
- Timely respond to the Service's oral or written inquiries.
- Timely request through the Service required information from the Taxpayer.
- Timely identify legal and factual issues relevant to evaluating the Taxpayer's and the Service's theory of the case.
- Timely notify the POC of the need for meetings or conference calls helpful to support of the case.
- Timely schedule and participate in conference calls and in-person meetings with the Service when requested by the POC or COR.
- Explain in a clear and professional manner the quality and thoroughness of facts and analyses relied on to form the assessment and recommendations presented in the detailed verbal briefing.
- If requested by the POC or the COR, prepare written analysis of clearly identified issues or sub-issues related to the case.
- Thoroughly document, as appropriate, factual development and due diligence.
- Develop and demonstrate thorough familiarity and understanding of all relevant legal authorities, including but not limited to tax, commercial, intellectual property, and procedural authorities.

**Additional Performance Standards:**

- As part of the Evaluation services, the Key Personnel shall verbally deliver the detailed briefing in-person to the Service at the time and place requested by the POC (and, if requested by POC, the Key Personnel shall repeat the detailed briefing or a sub-part of the briefing in-person or by conference call).
- As part of the Case Support services, the Key Personnel shall on an as-needed basis deliver oral recommendations in person or by conference call to the POC and other selected members of the Exam team. The Key Personnel shall clearly and professionally present the Contractor's analysis, and clearly explain the quality and thoroughness of the facts and analyses relied on to form the Contractor's recommendations.

**Desired Outcomes**

The Contractor will perform a thorough initial factual, economic and legal assessment of the record and theory of the case. Following completion of this initial assessment, the Key Personnel will present to the Service a detailed briefing presenting the Contractor's assessment of the case and giving the Contractor's recommendations. During and after the initial assessment, the Contractor will consult with and support the Service on an as-needed basis to assist in assessing, preparing, organizing and presenting the issues under examination. Required Contract services shall be provided in accordance with the Delivery Schedule outlined below.

**Monthly Status Report**

The Contractor shall include with the monthly invoices, a written status report to the COR. The status report shall, at a minimum, address the following items:

- Current target dates and progress for providing deliverable(s),
- Any problems or expected problems with delivery of services or products,
- Completed items,
- Outstanding issues,
- Report of direct labor hours expended for the month,
- Accounting of project cost by phase:
- Total amount invoiced and
- Total amount of delivered but not invoiced services.

The Contractor shall be required to promptly provide written notification to the COR and the POC when his or her efforts have reached:

- Respectively, 25%, 50% and 75% of the awarded amount of Phase 1.

**After reaching 50% of the awarded amount in Phase 1, the Contractor shall be required to receive written notification from the COR to proceed before performing additional services in Phase 1. After reaching 75% the awarded amount in Phase 1, the Contractor shall be**

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**required to receive written notification from the COR to proceed before performing additional services in Phase 1.**

**In no event may the Contractor's services exceed the awarded amount of said phase without the prior written authorization of the Contracting Officer.**

**Performance Standards:**

- Complete and accurate monthly status reports.
- Provide notification when the specified percentages of the awarded amounts for each phase are reached.
- Timely deliver the report to the COR.

**II. APPLICABLE DEFINITIONS, DIRECTIVES and/or DOCUMENTS**

**Applicable Definitions, Directives and/or Documents**

**Definitions**

**Third Party Contacts Defined**

If the Contractor needs information from a third party, the Contractor shall first obtain permission for the IRS and the IRS will provide additional guidance as needed on a specific case-by-case basis.

Third party contacts are defined and explained in I.R.C. § 7602(c) and the IRS Restructuring and Reform Act of 1998, Pub. L. 105–206, § 3417. Third party contact definitions and requirements are described generally in the IRS's Internal Revenue Manual (IRM) Part 4.10.1.6.12 (available at [www.irs.gov](http://www.irs.gov)). For third-party information gathering, see I.R.C. § 7609 (providing special procedures for third-party summonses); and IRM Part 25.5.6 (summonses on third-party witnesses) (available at [www.irs.gov](http://www.irs.gov)).

For Directives about Third Party Contacts, see below.

**Disclosure and Privacy Act Requirements and Definitions**

Generally, I.R.C. § 6103 limits disclosure of taxpayers' returns and return information to third parties. Privacy Act (5 U.S.C. 552a) requirements are described in detail in IRM Part 11, and I.R.C. §§ 6103, 6104, 6110, 7213, 7213A, and 7431. Applicable clauses are incorporated herein. The IRM can be accessed at [www.irs.gov](http://www.irs.gov).

**IRS Property and Records Defined**

Government property shall include all government equipment and records and documents, including Taxpayer records and documents, provided to the Contractor by the Government or by

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the Taxpayer and shall include all Contractor generated work products and workpapers associated with the requirements of this Contract. It is anticipated that the Service may, at its option, furnish secure electronic storage media or laptops which will have security software for data encryption.

### **Reference Materials and Purchased Documents**

The Service's property shall include reference materials, books, documents and supplies purchased by the Contractor as necessary for performing the requirements of this Contract if the Contractor is reimbursed by the Service for such purchases on an actual cost basis documented with copies of receipts for the purchases.

### **Directives**

#### **Contract Administration**

All contacts by the Contractor regarding the administration of technical details within the scope of this Contract shall be addressed to the COR for advice and coordination. All Contractor contacts with the Service's audit team and with the Taxpayer shall be coordinated through the POC.

Also see G.I IR1052-96-019 Authority - Contracting Officer, Contractor Officer's Representative And Contractor's Project Manager.

#### **"Contractor" Is All Inclusive**

The requirements, responsibilities, liabilities and limitations of this Contract shall apply to the Contractor, employees of the Contractor, the Key Personnel, and any subcontractors of the Contractor.

#### **Third Party Contacts**

Generally, any investigative-type third party contacts will be made by the Service. See, I.R.C. § 7602(c) (requiring the Service to notify the taxpayer about contact with third parties), I.R.C. § 7609 (providing special procedures for third-party summonses). For procedures, see IRM Part 4.10.1.6.12 (third party contacts) and IRM Part 25.5.6 (summonses on third-party witnesses) (available at [www.irs.gov](http://www.irs.gov)).

The Contractor will obtain written permission from the POC or COR prior to making any Third Party Contacts related to performance of this Contract. If the Service determines that the Contractor may make a particular Third Party Contact, the Contractor will provide the COR with details regarding the Third Party contact. The Contract will provide details of the Third Party contact to the COR in writing within ten working days after the contact. The COR will provide guidance as to what information is required to be reported regarding Third Party contacts by the Contractor.

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**Also see Section H – Disclosure, Safeguards and Security.** - Addressing I.R.C. § 6103 (stating that taxpayers' returns and return information are confidential and may not be disclosed to third parties).

### Materials to be Relied Upon

The Contractor will examine publicly available information as well as documents and materials obtained by the POC or examination team.

### Comply With All Security Policies

The contractor shall comply with all IRS security and safeguard policies and procedures as described in **Pub. 4812 – Contractor Security Controls** (and in **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** if the contractor has access to, and/or uses or operates IRS information systems containing IRS information at facilities controlled by IRS). This shall include full cooperation with all government security and safeguard related requests and activities that are within the scope of these policies and procedures including but not necessarily limited to:

- Post-award conferences,
- Security self-assessments,
- Contractor and Contractor employee background investigations (see IRM 1.23.2, *Security Investigations, Contractor Investigations*),
- Training,
- On-site security reviews, and
- Preparing and implementing a “Plan of Action and Milestones” (POA&M) to adequately mitigate or otherwise address unacceptable risks identified by the Government.

### Basic Security and Safeguard Concepts

The following basic concepts are applicable under the terms of this Contract, however it should be understood that this is not an all-inclusive listing of requirements that may apply.

The Contractor shall implement management, operational and technical controls to incorporate the following security and safeguard concepts in his/her business operations:

- ID Media/Card Keys/Keys
- Document Security
- Incident Reporting
- Security Awareness

Guidance is provided in **Pub. 4812 – Contractor Security Controls** (and in **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** if the contractor has access to, and/or uses or operates IRS information systems containing IRS information at facilities controlled by IRS).

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A copy of **Pub. 4812 – Contractor Security Controls** can be found on [www.irs.gov](http://www.irs.gov) by performing a search on “Procurement”.

A copy of **IRM 10.8.1, Information Technology (IT) Security, Policy and Guidance** can be found on [www.irs.gov](http://www.irs.gov) by performing a search on “Internal Revenue Manual” followed by clicking on the Internal Revenue Manual link and then clicking on the “Part 10 – Security, Privacy and Assurance” link.

### **Contractor Background Investigations**

The Service requires all persons with access to Taxpayer information to pass a background investigation. The investigation requires the individuals to provide significant information to the investigation team. It will also require each person to provide a set of fingerprints. This activity requires several hours of effort for each individual and this time is not chargeable to the Contract.

Unless other arrangements are made with the COR, the Contractor must complete and return the background investigation paperwork data to Contractor Security Management (CSM) within 5 calendar days of Contract award.

The Contractor personnel must receive either “interim approval” or a “final decision” for staff-like access before being provided with unescorted access to sensitive information.

### **Contractor Training Requirements**

The Key Personnel and the Contractor’s employees and, if applicable, sub-contractors shall be required to complete “Security” awareness training to be provided by the Service prior to being granted unescorted access to sensitive information.

Contractor personnel performing technical security roles requiring specialized training shall receive a minimum of twelve (12) hours of continuing professional education annually at the cost of the Contractor.

Contractor personnel performing non-technical security responsibilities requiring specialized training shall receive a minimum of eight (8) hours of continuing professional education annually at the cost of the Contractor.

### **Contractor Security Self-Assessment**

The Service may, at its option, require the Contractor to perform a security self-assessment prior to being granted unescorted access to sensitive information. If requested, the security self-assessment must be completed and returned to the Contracting Officer’s Representative (COR) within two weeks of the date of award of the Contract.

**See Section J - Exhibit 5 - Contractor Security Self-Assessment for an example of a security self-assessment check sheet.**

### **Meetings**

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Meetings involving the Contractor called or scheduled by the POC or COR and may be in the nature of conference telephone calls or on-site, face-to-face meetings, at the election of the POC or COR. The POC or COR shall provide reasonable advance notification to the Contractor regarding the location and expected duration of meetings, conference calls, etc.

### **Records, Reports and Workpaper Maintenance and Organization**

Records, Reports and Workpapers shall be maintained and organized in accordance with the requirements set forth in IRM 4.46.6, *LB&I Guide for Quality Examinations, Workpapers and Reports Resources*. IRMs may be accessed at [www.irs.gov](http://www.irs.gov).

### **Return of Service Property**

All property of the Service in the possession of the Contractor in direct relation to the requirements of this Contract shall be returned to the Service prior to final payment for services rendered by the Contractor.

### **Abbreviations and Acronyms**

AQL = Acceptable Quality Level  
CFR = Code of Federal Regulations  
CO = Contracting Officer  
COR = Contract Officer's Representative  
CSM =(IRS) Contractor Security Management (Formerly CSLP)  
CSLP=Contractor Security Lifecycle Program (Currently CSM)  
FAR = Federal Acquisition Regulations  
FIPS = Federal Information Processing Standard  
FISMA = Federal Information Security Management Act  
GSA = General Services Administration  
IP=Intellectual Property  
IT=Information Technology  
I.R.C. =Internal Revenue Code  
IRM = Internal Revenue Manual  
IRS or Service =Internal Revenue Service  
LB&I =Large Business and International Division of the IRS  
NIST =National Institute of Standards and Technology  
NBIC =National Background Investigation Center  
POC = Point of Contact  
PRST =Performance Requirements Summary Table  
PWS = Performance-based work statement  
QASP =Quality Assurance Surveillance Plan  
SBU = Sensitive but unclassified  
RRA98 =Revenue Reform Act of 1998  
TC =Team Coordinator  
USC = United States Code (also U.S.C.)

**Documents****Quality Assurance Surveillance Plan (QASP)**

A QASP may be utilized by the Service and sets forth guidelines that may be used in evaluating the technical performance of the Contractor. The procedures set forth in the QASP are not contractually binding on the Service or on the Contractor. The Contractor will be provided a copy of the QASP for informational purposes only – See below - **Section F2 Quality Assurance Surveillance Plan (QASP)**.

**Surveillance Activity Checklist**

A “Surveillance Activity Checklist” may be used by the COR/Evaluator to document Contractor’s performance – See **Section J, Exhibit 1 - Surveillance Activity Checklist**.

**Decision Table**

A “Decision Table” may be used by the COR/Evaluator in documenting symptoms and in identifying possible sources of performance problems as well as assisting in the determination of contributing factors – See **Section J, Exhibit 2 - Decision Table**.

**Performance Requirements Summary Table (PRST)**

A PRST may be utilized by the Government and describes to the Contractor how the Service will monitor the Contractor’s performance. The weights found in the table represent the maximum of the contract value that the Government can deduct for nonperformance or unsatisfactory performance of a service requirement. The Government has the unilateral right to change the Method of Inspection found in the table without notice to the Contractor – See **Section J, Exhibit 3 - Performance Requirements Summary Table**.

**III. METHOD OF PAYMENT****Evaluation of Services (See Section F - Quality Assurance Surveillance Plan – QASP))**

The Contractor's services will be evaluated by the Internal Revenue Service upon completion of all services directed by the Service under this Contract.

**Holdback Provision:**

For purposes of FAR 52.232-7(a)(2), the amount withheld shall be 0% of the amount due.

**IV.GENERAL PROVISIONS****Disclosure Prohibitions**

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The Contractor may, to the extent authorized by the Internal Revenue Code (I.R.C.) for tax administration purposes, and as necessary for the performance of his or her duties under this Contract, be given access to confidential tax returns and return information, as those terms are defined in I.R.C. § 6103(b)(1) and (2), respectively. Unauthorized disclosures of tax returns or return information may subject the Contractor to personal liability for civil damages under I.R.C. § 7431(a)(2), criminal prosecution under I.R.C. § 7213, or both.

**Also see Section H – Disclosure, Safeguards and Security.**

**Limited Authority of the Contractor**

The Contractor shall not have the authority to perform inherently governmental functions as described in OFPP Policy Letter 11-01 including, but not necessarily limited to, any government policy-making, decision-making, portraying the Contractor as a representative of the government or performing governmental managerial responsibilities.

([http://www.whitehouse.gov/omb/procurement\\_index\\_work\\_performance/](http://www.whitehouse.gov/omb/procurement_index_work_performance/))

**Also see G.1 IR1052-96-019 Authority - Contracting Officer, Contractor Officer's Representative and Contractor's Project Manager.**

**Relationship with Office of Chief Counsel for the IRS**

It is clearly understood that the Office of Chief Counsel for the Internal Revenue Service, the attorneys assigned to this matter, are the representatives of the Service and are not the legal representative of the Contractor and cannot provide legal advice to the Contractor.

**Form 2848**(Rev. July 2014)  
Department of the Treasury  
Internal Revenue Service**Power of Attorney  
and Declaration of Representative**► Information about Form 2848 and its instructions is at [www.irs.gov/form2848](http://www.irs.gov/form2848).

OMB No. 1545-0150

For IRS Use Only

Received by:

Name \_\_\_\_\_

Telephone \_\_\_\_\_

Function \_\_\_\_\_

Date / /

**Part I Power of Attorney****Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.****1 Taxpayer information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address Microsoft Corporation & Subsidiaries One Microsoft Way Redmond, WA 98052-6399	Taxpayer identification number(s) 91-1144442
	Daytime telephone number (425) 702-6339
	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address Daniel Rosen - Baker & McKenzie LLP 452 Fifth Avenue New York, NY 10018 Check if to be sent copies of notices and communications <input type="checkbox"/>	CAF No. PTIN P01787930 Telephone No. 212-626-4272 Fax No. 212-310-1672 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Mireille Oldak - Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006 Check if to be sent copies of notices and communications <input type="checkbox"/>	CAF No. 0310-07696R PTIN P01605136 Telephone No. 202-835-6176 Fax No. 202-416-7176 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Yea-Jin Angela Chang - Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601 (Note. IRS sends notices and communications to only two representatives.)	CAF No. 0310-50893R PTIN P01751448 Telephone No. 312-861-4226 Fax No. 312-698-2797 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address   (Note. IRS sends notices and communications to only two representatives.)	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

**3 Acts authorized (you are required to complete this line 3).** With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 6a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)
Federal Income Tax	1120	June 30, 2004 - June 30, 2006

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF ..... ►

**5a Additional acts authorized.** In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information):

Authorize disclosure to third parties;  Substitute or add representative(s);  Sign a return; \_\_\_\_\_

Other acts authorized: \_\_\_\_\_

b Specific acts not authorized. My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any specific deletions to the acts otherwise authorized in this power of attorney (see instructions for line 5b): \_\_\_\_\_

6 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here  ►

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

7 Signature of taxpayer. If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.

Signature

Print Name

Date

Title (if applicable)

Print name of taxpayer from line 1 if other than Individual

## Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and *Special rules for registered tax return preparers and unenrolled return preparers* in the Instructions (PTIN required for designation h).
  - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and *Special rules for registered tax return preparers and unenrolled return preparers* in the Instructions (PTIN required for designation i).
  - k Student Attorney or CPA—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See Instructions for Part II for additional information and requirements.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.

Note: For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing jurisdiction" column. See the instructions for Part II for more information.

Designation— Insert above letter (a–r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See instructions for Part II for more information.	Signature	Date
A	NY	2790442		9/15/14
A	NY	5004346		9/16/14
A	IL	6312513		9/11/14

**2848**

Form **2848**  
 (Rev. June 2008)  
 Department of the Treasury  
 Internal Revenue Service

### Power of Attorney and Declaration of Representative

► Type or print. ► See the separate instructions.

OMB No. 1545-0150

For IRS Use Only

Received by:

Name \_\_\_\_\_

Telephone \_\_\_\_\_

Function \_\_\_\_\_

Date / /

**Part I Power of Attorney**

**Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.**

**1 Taxpayer Information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address	Social security number(s)	Employer identification number
<b>Microsoft Corporation &amp; Subsidiaries</b> <b>One Microsoft Way</b> <b>Redmond, WA 98052-6399</b>		
		91   1144442
	Daytime telephone number ( 425 ) 702-6339	Plan number (if applicable)

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address	CAF No. .... Telephone No. .... Fax No. .... Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
<b>James M. O'Brien, Baker &amp; McKenzie LLP</b> <b>130 E. Randolph Street, Suite 3700</b> <b>Chicago, IL 60601</b>	312-861-8802 312-698-2323
Name and address	CAF No. .... Telephone No. .... Fax No. .... Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
<b>Paul E. Schick, Baker &amp; McKenzie LLP</b> <b>130 E. Randolph Street, Suite 3700</b> <b>Chicago, IL 60601</b>	312-861-8850 312-698-2381
Name and address	CAF No. .... Telephone No. .... Fax No. .... Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
<b>SEE ADDENDUM</b>	

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
<b>Federal Income Tax</b>	<b>Form 1120</b>	<b>6/30/2004-6/30/2005</b>

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4, Specific Uses Not Recorded on CAF. ►

**5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. The authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.

**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See Unenrolled Return Preparer on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).

List any specific additions or deletions to the acts otherwise authorized in this power of attorney: .....

.....

**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, BUT NOT TO ENDORSE OR CASH, refund checks, initial here \_\_\_\_\_ and list the name of that representative below.

Name of representative to receive refund check(s) ►

**7 Notices and communications.** Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.

a If you also want the second representative listed to receive a copy of notices and communications, check this box . . . . . ►

b If you do not want any notices or communications sent to your representative(s), check this box . . . . . ►

**8 Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here. ►

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

**9 Signature of taxpayer(s).** If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested, otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► **IF NOT SIGNED, AND PARTNER,**

► IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.

	Signature	5/1/01	Date	CUP-4447 Tax
William B. Sample	Print Name	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	PIN Number	Title (if applicable)
Microsoft Corporation				
Print name of taxpayer from line 1 if other than individual				

Signature \_\_\_\_\_ Date \_\_\_\_\_ Title (if applicable) \_\_\_\_\_  
Print Name \_\_\_\_\_       
PIN Number \_\_\_\_\_

**Part II      Declaration of Representative**

**Caution:** Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels K and I), see the Instructions for Part II.

**Under penalties of perjury, I declare that:**

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer's organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(ok)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 1 of the Instructions.
  - k Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
  - l Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED. See the Part II Instructions.

Designation—Insert above letter (a-r)	Jurisdiction (state) or identification	Signature	Date
a	IL	<i>Jerry M.O'Brien</i>	5/10/2011
a	IL	<i>[Signature]</i>	5/10/2011
		<b>SEE ADDENDUM</b>	

**Microsoft Corporation & Subsidiaries  
E.I. No. 91-1144442  
Power of Attorney (Form 2848)  
Addendum**

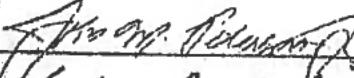
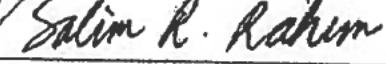
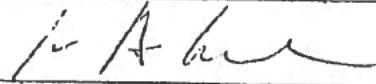
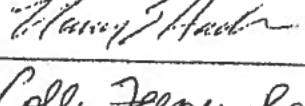
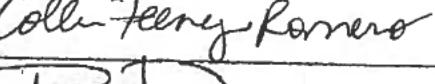
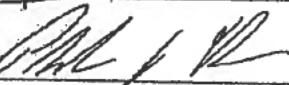
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**Part I: Box 2 Additional Representatives**

John M. Peterson, Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-856-5538 Fax No. 650-856-9299
Salim R. Rahim, Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006	Telephone No. 202-835-1658 Fax No. 202-416-7041
Ivan A. Morales, Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-251-5911 Fax No. 650-856-9299
Nancy E. Hacker, Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-856-5531 Fax No. 650-856-9299
Colleen F. Romero, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	Telephone No. 312-861-8280 Fax No. 312-698-2945
Brian C. Dursch, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	Telephone No. 312-861-2944 Fax No. 312-698-2135
Phillip J. Taylor, Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006	Telephone No. 202-452-7082 Fax No. 202-416-7071

**Microsoft Corporation & Subsidiaries**  
**E.I. No. 91-1144442**  
**Power of Attorney (Form 2848)**  
**Addendum (continued)**

**Part II: Declaration of Representatives**

<u>Designation</u>	<u>Jurisdiction</u>	<u>Signature</u>	<u>Date</u>
a	CA		5/11/11
a	DC		5/10/11
a	CA, FL		5/10/11
a	CA		5/10/11
a	IL		5/10/11
a	IL		5/10/2011
a	NY		5/10/11

**2848**(Rev. July 2014)  
Department of the Treasury  
Internal Revenue Service**Power of Attorney  
and Declaration of Representative**► Information about Form 2848 and its instructions is at [www.irs.gov/form2848](http://www.irs.gov/form2848).

OMB No. 1545-0150

For IRS Use Only

Received by:

Name \_\_\_\_\_

Telephone \_\_\_\_\_

Function \_\_\_\_\_

Date / /

**Part I Power of Attorney****Caution: A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.****1 Taxpayer Information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address Microsoft Corporation & Subsidiaries One Microsoft Way Redmond, WA 98052-6399	Taxpayer identification number(s)  91-1144442
	Daytime telephone number 425-702-6339
	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address James M. O'Brien, Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601	CAF No. 0309-62211R PTIN P01365560 Telephone No. 312-861-8602 Fax No. 312-698-2323
Check if to be sent copies of notices and communications <input checked="" type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>  CAF No. 4005-70761R PTIN P01249152 Telephone No. 312-861-8850 Fax No. 312-698-2381
Name and address Paul E. Schick, Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>  CAF No. 4005-70761R PTIN P01249152 Telephone No. 312-861-8850 Fax No. 312-698-2381
Check if to be sent copies of notices and communications <input type="checkbox"/>	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>  CAF No. 4005-70761R PTIN P01249152 Telephone No. 312-861-8850 Fax No. 312-698-2381
Name and address Daniel Rosen, Baker & McKenzie LLP 452 Fifth Avenue New York, NY 10018	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>  CAF No. 4005-70761R PTIN P01249152 Telephone No. 312-861-8850 Fax No. 312-698-2381
(Note. IRS sends notices and communications to only two representatives.)	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
(Note. IRS sends notices and communications to only two representatives.)	Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

**3** Acts authorized (you are required to complete this line 3). With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see Instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)
Federal Income Tax	1120	June 30, 2007 - June 30, 2009

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF

**5a Additional acts authorized.** In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see Instructions for line 5a for more information):

<input type="checkbox"/> Authorize disclosure to third parties;	<input type="checkbox"/> Substitute or add representative(s);	<input type="checkbox"/> Sign a return;
<hr/>		
<hr/>		
<input type="checkbox"/> Other acts authorized.		
<hr/>		

b **Specific acts not authorized.** My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any specific deletions to the acts otherwise authorized in this power of attorney (see instructions for line 5b):

6 **Retention/revocation of prior power(s) of attorney.** The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here  ▶

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

7 **Signature of taxpayer.** If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► **IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.**

*Jerry M. Baum*  
Signature

*William B. Sample*  
Print Name

9/22/14  
Date

*CUP-WW Tax*

Title (if applicable)

Microsoft Corporation & Subsidiaries

Print name of taxpayer from line 1 if other than individual

## Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and **Special rules for registered tax return preparers and unenrolled return preparers in the Instructions (PTIN required for designation h).**
  - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and **Special rules for registered tax return preparers and unenrolled return preparers in the Instructions (PTIN required for designation i).**
  - k Student Attorney or CPA—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See Instructions for Part II for additional information and requirements.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

► **IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.**

Note. For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing Jurisdiction" column. See the instructions for Part II for more information.

Designation— Insert above letter (a-r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See Instructions for Part II for more information.	Signature	Date
A	IL	6180576	<i>Jerry M. O. Baum</i>	9/22/2014
A	IL	6230204	<i>W.B. Sample</i>	9/22/2014
A	NY	2790442	<i>Daniel K. H.</i>	9/22/2014

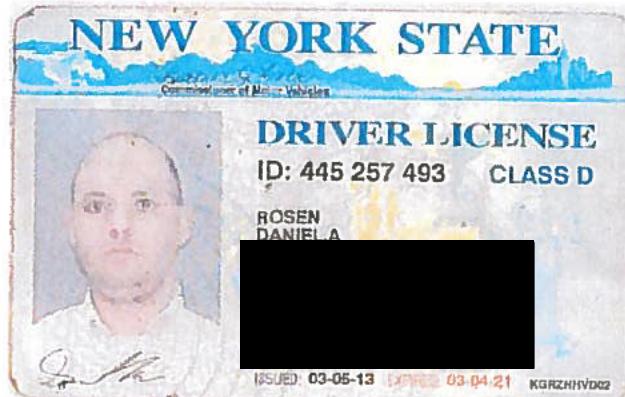


EXHIBIT D

# **EXHIBIT C**

**2848**

Form (Rev. July 2014)  
Department of the Treasury  
Internal Revenue Service

# Power of Attorney and Declaration of Representative

► Information about Form 2848 and its Instructions is at [www.irs.gov/form2848](http://www.irs.gov/form2848).

OMB No. 1545-0150  
For IRS Use Only  
Received by  
Name \_\_\_\_\_  
Telephone \_\_\_\_\_  
Function \_\_\_\_\_  
Date / /

**Part I Power of Attorney**

**Caution:** A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

**1 Taxpayer information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address Microsoft Corporation & Subsidiaries One Microsoft Way Redmond, WA 98052-6399	Taxpayer identification number(s) 91-1144442
	Daytime telephone number (425) 702-6339
	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address Daniel Rosen - Baker & McKenzie LLP 452 Fifth Avenue New York, NY 10018 Check if to be sent copies of notices and communications <input type="checkbox"/>	CAF No. 0310-99756R PTIN P01787930 Telephone No. 212-626-4272 Fax No. 212-310-1672 Check if new Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Mireille Oldak - Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006 Check if to be sent copies of notices and communications <input type="checkbox"/>	CAF No. 0310-07696R PTIN P01605136 Telephone No. 202-835-6176 Fax No. 202-416-7176 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address Yea-Jin Angela Chang - Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601 (Note: IRS sends notices and communications to only two representatives.)	CAF No. 0310-50893R PTIN P01751448 Telephone No. 312-861-4226 Fax No. 312-698-2797 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address	CAF No. _____ PTIN _____ Telephone No. _____ Fax No. _____ Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
(Note: IRS sends notices and communications to only two representatives.)	

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

**3** Acts authorized (you are required to complete this line 3). With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see instructions for line 5a for authorizing a representative to sign a return).

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)	Year(s) or Period(s) (if applicable) (see instructions)
Federal Income Tax	1120	June 30, 2004 - June 30, 2006

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF ..... ►

**5a Additional acts authorized.** In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see instructions for line 5a for more information):

Authorize disclosure to third parties;  Substitute or add representative(s);  Sign a return;  
  
  
 Other acts authorized: \_\_\_\_\_

b Specific acts not authorized. My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any specific deletions to the acts otherwise authorized in this power of attorney (see Instructions for line 5b): \_\_\_\_\_

6 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here  ►

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

7 Signature of taxpayer. If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

► IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.

Signature

Print Name

9/16/14

Date

CVP-WW Tax

Title (if applicable)

Microsoft Corporation & Subsidiaries

Print name of taxpayer from line 1 if other than individual

## Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the Instructions (PTIN required for designation h).
  - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and Special rules for registered tax return preparers and unenrolled return preparers in the Instructions (PTIN required for designation i).
  - k Student Attorney or CPA—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See Instructions for Part II for additional information and requirements.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

► IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.

Note: For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing Jurisdiction" column. See the Instructions for Part II for more information.

Designation— Insert above letter (a-r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable). See Instructions for Part II for more information.	Signature	Date
A	NY	2790442		9/15/14
A	NY	5004346		9/16/14
A	IL	6312513		9/11/14

**Form 2848**(Rev. June 2008)  
Department of the Treasury  
Internal Revenue Service**Power of Attorney  
and Declaration of Representative**

► Type or print. ► See the separate instructions.

**Part I Power of Attorney****Caution: Form 2848 will not be honored for any purpose other than representation before the IRS.****1 Taxpayer Information.** Taxpayer(s) must sign and date this form on page 2, line 9.

Taxpayer name(s) and address  Microsoft Corporation & Subsidiaries One Microsoft Way Redmond, WA 98052-6399	Social security number(s)	Employer identification number
	91	1144442
	Daytime telephone number ( 425 ) 702-6399	
	Plan number (if applicable)	

hereby appoint(s) the following representative(s) as attorney(s)-in-fact:

**2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address  James M. O'Brien, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	CAF No. .... Telephone No. .... 312-861-8602 Fax No. .... 312-698-2323 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address  Paul E. Schick, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	CAF No. .... Telephone No. .... 312-861-8650 Fax No. .... 312-698-2381 Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>
Name and address  SEE ADDENDUM	CAF No. .... Telephone No. .... Fax No. .... Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No. <input type="checkbox"/>

to represent the taxpayer(s) before the Internal Revenue Service for the following tax matters:

**3 Tax matters**

Type of Tax (Income, Employment, Excise, etc.) or Civil Penalty (see the instructions for line 3)	Tax Form Number (1040, 941, 720, etc.)	Year(s) or Period(s) (see the instructions for line 3)
Federal Income Tax	Form 1120	6/30/2004-6/30/2006

**4 Specific use not recorded on Centralized Authorization File (CAF).** If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Uses Not Recorded on CAF **5 Acts authorized.** The representatives are authorized to receive and inspect confidential tax information and to perform any and all acts that I (we) can perform with respect to the tax matters described on line 3, for example, the authority to sign any agreements, consents, or other documents. This authority does not include the power to receive refund checks (see line 6 below), the power to substitute another representative or add additional representatives, the power to sign certain returns, or the power to execute a request for disclosure of tax returns or return information to a third party. See the line 5 instructions for more information.**Exceptions.** An unenrolled return preparer cannot sign any document for a taxpayer and may only represent taxpayers in limited situations. See Unenrolled Return Pre \_\_\_\_\_ on page 1 of the instructions. An enrolled actuary may only represent taxpayers to the extent provided in section 10.3(d) of Treasury Department Circular No. 230 (Circular 230). An enrolled retirement plan administrator may only represent taxpayers to the extent provided in section 10.3(e) of Circular 230. See the line 5 instructions for restrictions on tax matters partners. In most cases, the student practitioner's (levels k and l) authority is limited (for example, they may only practice under the supervision of another practitioner).List any specific additions or deletions to the acts otherwise authorized in this power of attorney:  
.....  
.....  
.....**6 Receipt of refund checks.** If you want to authorize a representative named on line 2 to receive, BUT NOT TO ENDORSE OR CASH, refund checks, initial here \_\_\_\_\_ and list the name of that representative below.

Name of representative to receive refund check(s) ►

Form 2848 (Rev. 6-2006)

Page 2

7 Notices and communications. Original notices and other written communications will be sent to you and a copy to the first representative listed on line 2.

8 If you also want the second representative listed to receive a copy of notices and communications, check this box . . . . .

b If you do not want any notices or communications sent to your representative(s), check this box . . . . .

8 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same tax matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here.

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

9 Signature of taxpayer(s). If a tax matter concerns a joint return, both husband and wife must sign if joint representation is requested; otherwise, see the instructions. If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**► IF NOT SIGNED AND DATED, THIS POWER OF ATTORNEY WILL BE RETURNED.**

*[Signature]* *5/14/11* *CUP-HW-Tur*  
 Signature Date Title (if applicable)  
 Williams B. Sample PIN Number Microsoft Corporation  
 Print Name Print name of taxpayer from line 1 if other than individual

Signature Date Title (if applicable)  
 PIN Number

#### Part II Declaration of Representative

**Caution:** Students with a special order to represent taxpayers in qualified Low Income Taxpayer Clinics or the Student Tax Clinic Program (levels k and l), see the instructions for Part II.

Under penalties of perjury, I declare that:

- I am not currently under suspension or disbarment from practice before the Internal Revenue Service;
- I am aware of regulations contained in Circular 230 (31 CFR, Part 10), as amended, concerning the practice of attorneys, certified public accountants, enrolled agents, enrolled actuaries, and others;
- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent under the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer's organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—the authority to practice before the Internal Revenue Service is limited by Circular 230, section 10.7(o)(1)(viii). You must have prepared the return in question and the return must be under examination by the IRS. See Unenrolled Return Preparer on page 1 of the instructions.
  - i Student Attorney—student who receives permission to practice before the IRS by virtue of their status as a law student under section 10.7(d) of Circular 230.
  - j Student CPA—student who receives permission to practice before the IRS by virtue of their status as a CPA student under section 10.7(d) of Circular 230.
  - k Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

**► IF THIS DECLARATION OF REPRESENTATIVE IS NOT SIGNED AND DATED, THE POWER OF ATTORNEY WILL BE RETURNED.** See the Part II Instructions.

Designation—Insert above letter (a-r)	Jurisdiction (state) or Identification	Signature	Date
a	IL	<i>Jane M. O'Brien</i>	5/10/2011
b	IL	<i>[Signature]</i>	5/10/2011
<b>SEE ADDENDUM</b>			

**Microsoft Corporation & Subsidiaries  
E.I. No. 91-1144442  
Power of Attorney (Form 2848)  
Addendum**

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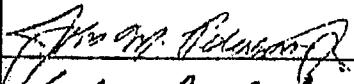
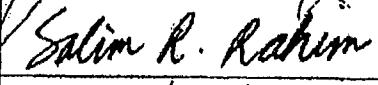
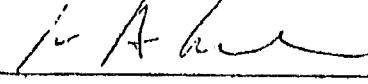
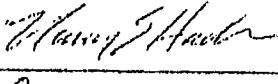
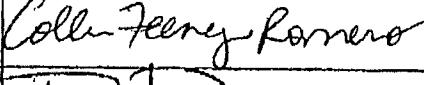
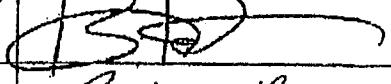
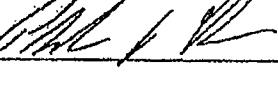
**Part I: Box 2 Additional Representatives**

John M. Peterson, Jr., Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-856-5538 Fax No. 650-856-9299
Salim R. Rahim, Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006	Telephone No. 202-835-1658 Fax No. 202-416-7041
Ivan A. Morales, Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-251-5911 Fax No. 650-856-9299
Nancy E. Hacker, Baker & McKenzie LLP 660 Hansen Way Palo Alto, CA 94304	Telephone No. 650-856-5531 Fax No. 650-856-9299
Colleen F. Romero, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	Telephone No. 312-861-8280 Fax No. 312-698-2945
Brian C. Dursch, Baker & McKenzie LLP 130 E. Randolph Street, Suite 3700 Chicago, IL 60601	Telephone No. 312-861-2944 Fax No. 312-698-2135
Phillip J. Taylor, Baker & McKenzie LLP 815 Connecticut Avenue, NW Washington, DC 20006	Telephone No. 202-452-7082 Fax No. 202-416-7071

**Microsoft Corporation & Subsidiaries**  
**E.I. No. 91-1144442**  
**Power of Attorney (Form 2848)**  
**Addendum (continued)**

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**Part II: Declaration of Representatives**

<u>Designation</u>	<u>Jurisdiction</u>	<u>Signature</u>	<u>Date</u>
a	CA		5/11/11
a	DC		5/10/11
a	CA, FL		5/10/11
a	CA		5/10/11
a	IL		5/10/11
a	IL		5/10/2011
a	NY		5/10/11

# **EXHIBIT D**

**2848**  
 Form 2848  
 (Rev. July 2014)  
 Department of the Treasury  
 Internal Revenue Service

## Power of Attorney and Declaration of Representative

► Information about Form 2848 and its Instructions is at [www.irs.gov/form2848](http://www.irs.gov/form2848).

OMB No. 1545-0150  
 For IRS Use Only  
 Received by:  
 Name \_\_\_\_\_  
 Telephone \_\_\_\_\_  
 Function \_\_\_\_\_  
 Date / /

### **Part I Power of Attorney**

**Caution:** A separate Form 2848 must be completed for each taxpayer. Form 2848 will not be honored for any purpose other than representation before the IRS.

#### **1 Taxpayer Information.** Taxpayer must sign and date this form on page 2, line 7.

Taxpayer name and address Microsoft Corporation & Subsidiaries One Microsoft Way Redmond, WA 98052-6399	Taxpayer identification number(s) <b>91-1144442</b>
	Daytime telephone number <b>425-702-6339</b>
	Plan number (if applicable)

hereby appoints the following representative(s) as attorney(s)-in-fact:

#### **2 Representative(s) must sign and date this form on page 2, Part II.**

Name and address James M. O'Brien, Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601	CAF No. <b>0309-62211R</b> PTIN <b>P01365560</b> Telephone No. <b>312-861-8602</b> Fax No. <b>312-698-2323</b>
<input checked="" type="checkbox"/> Check if to be sent copies of notices and communications	<input type="checkbox"/> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No.
Name and address Paul E. Schick, Baker & McKenzie LLP 300 E. Randolph Street, Suite 5000 Chicago, IL 60601	CAF No. <b>4005-70761R</b> PTIN <b>P01249152</b> Telephone No. <b>312-861-8850</b> Fax No. <b>312-698-2381</b>
<input type="checkbox"/> Check if to be sent copies of notices and communications	<input type="checkbox"/> Check if new: Address <input type="checkbox"/> Telephone No. <input type="checkbox"/> Fax No.
Name and address Daniel Rosen, Baker & McKenzie LLP 452 Fifth Avenue New York, NY 10018	CAF No. <b>0310-99756R</b> PTIN <b>P01787930</b> Telephone No. <b>212-626-4272</b> Fax No. <b>212-310-1672</b>
<b>(Note. IRS sends notices and communications to only two representatives.)</b>	
Name and address	CAF No. PTIN Telephone No. Fax No.
<b>(Note. IRS sends notices and communications to only two representatives.)</b>	

to represent the taxpayer before the Internal Revenue Service and perform the following acts:

**3** Acts authorized (you are required to complete this line 3). With the exception of the acts described in line 5b, I authorize my representative(s) to receive and inspect my confidential tax information and to perform acts that I can perform with respect to the tax matters described below. For example, my representative(s) shall have the authority to sign any agreements, consents, or similar documents (see Instructions for line 5a for authorizing a representative to sign a return)

Description of Matter (Income, Employment, Payroll, Excise, Estate, Gift, Whistleblower, Practitioner Discipline, PLR, FOIA, Civil Penalty, Sec. 5000A Shared Responsibility Payment, Sec. 4980H Shared Responsibility Payment, etc.) (see instructions)	Tax Form Number (1040, 941, 720, etc.) (if applicable)
Federal Income Tax	<b>1120</b>
	<b>June 30, 2007 - June 30, 2009</b>

**4** Specific use not recorded on Centralized Authorization File (CAF). If the power of attorney is for a specific use not recorded on CAF, check this box. See the instructions for Line 4. Specific Use Not Recorded on CAF    ►

**5a** Additional acts authorized. In addition to the acts listed on line 3 above, I authorize my representative(s) to perform the following acts (see Instructions for line 5a for more information):

Authorize disclosure to third parties;     Substitute or add representative(s);     Sign a return; \_\_\_\_\_  
 \_\_\_\_\_  
 Other acts authorized. \_\_\_\_\_  
 \_\_\_\_\_

b Specific acts not authorized. My representative(s) is (are) not authorized to endorse or otherwise negotiate any check (including directing or accepting payment by any means, electronic or otherwise, into an account owned or controlled by the representative(s) or any firm or other entity with whom the representative(s) is (are) associated) issued by the government in respect of a federal tax liability.

List any specific deletions to the acts otherwise authorized in this power of attorney (see Instructions for line 5b): \_\_\_\_\_

6 Retention/revocation of prior power(s) of attorney. The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the Internal Revenue Service for the same matters and years or periods covered by this document. If you do not want to revoke a prior power of attorney, check here

**YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.**

7 Signature of taxpayer. If a tax matter concerns a year in which a joint return was filed, each spouse must file a separate power of attorney even if they are appointing the same representative(s). If signed by a corporate officer, partner, guardian, tax matters partner, executor, receiver, administrator, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

**► IF NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THIS POWER OF ATTORNEY TO THE TAXPAYER.**

*istar M. Baum*

Signature

*9/22/14*

Date

*CVP-WW Tax*

Title (if applicable)

*William M. Baum*

Print Name

Microsoft Corporation & Subsidiaries

Print name of taxpayer from line 1 if other than individual

### Part II Declaration of Representative

Under penalties of perjury, by my signature below I declare that:

- I am not currently suspended or disbarred from practice before the Internal Revenue Service;
- I am subject to regulations contained in Circular 230 (31 CFR, Subtitle A, Part 10), as amended, governing practice before the Internal Revenue Service;
- I am authorized to represent the taxpayer identified in Part I for the matter(s) specified there; and
- I am one of the following:
  - a Attorney—a member in good standing of the bar of the highest court of the jurisdiction shown below.
  - b Certified Public Accountant—duly qualified to practice as a certified public accountant in the jurisdiction shown below.
  - c Enrolled Agent—enrolled as an agent by the Internal Revenue Service per the requirements of Circular 230.
  - d Officer—a bona fide officer of the taxpayer organization.
  - e Full-Time Employee—a full-time employee of the taxpayer.
  - f Family Member—a member of the taxpayer's immediate family (for example, spouse, parent, child, grandparent, grandchild, step-parent, step-child, brother, or sister).
  - g Enrolled Actuary—enrolled as an actuary by the Joint Board for the Enrollment of Actuaries under 29 U.S.C. 1242 (the authority to practice before the Internal Revenue Service is limited by section 10.3(d) of Circular 230).
  - h Unenrolled Return Preparer—Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and *Special rules for registered tax return preparers and unenrolled return preparers* in the Instructions (PTIN required for designation h).
  - i Registered Tax Return Preparer—registered as a tax return preparer under the requirements of section 10.4 of Circular 230. Your authority to practice before the Internal Revenue Service is limited. You must have been eligible to sign the return under examination and have prepared and signed the return. See Notice 2011-6 and *Special rules for registered tax return preparers and unenrolled return preparers* in the Instructions (PTIN required for designation i).
  - k Student Attorney or CPA—receives permission to represent taxpayers before the IRS by virtue of his/her status as a law, business, or accounting student working in an LITC or STCP. See Instructions for Part II for additional information and requirements.
  - r Enrolled Retirement Plan Agent—enrolled as a retirement plan agent under the requirements of Circular 230 (the authority to practice before the Internal Revenue Service is limited by section 10.3(e)).

**► IF THIS DECLARATION OF REPRESENTATIVE IS NOT COMPLETED, SIGNED, AND DATED, THE IRS WILL RETURN THE POWER OF ATTORNEY. REPRESENTATIVES MUST SIGN IN THE ORDER LISTED IN PART I, LINE 2. See the instructions for Part II.**

Note. For designations d-f, enter your title, position, or relationship to the taxpayer in the "Licensing Jurisdiction" column. See the instructions for Part II for more information.

Designation— Insert above letter (a-r)	Licensing jurisdiction (state) or other licensing authority (if applicable)	Bar, license, certification, registration, or enrollment number (if applicable) See Instructions for Part II for more information.	Signature	Date
A	IL	6180576	<i>James M. O'Brien</i>	<i>9/22/2014</i>
A	IL	6230204	<i>Patricia M. Baum</i>	<i>9/22/2014</i>
A	NY	2790442	<i>Daniel C. Baum</i>	<i>9/22/2014</i>

# **EXHIBIT E**

